

## NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS

Please take notice that the Annual Meeting of Stockholders of ATOK-BIG WEDGE CO., INC. will be held on December 05, 2023 at 11 o'clock in the morning. In light of the COVID-19 pandemic and to ensure the safety and welfare of the Company's stockholders and other attendees, the meeting will be conducted virtually via secure online meeting platform to discuss the following agenda:

1. Call to order
2. Certification of Notice and Quorum
3. Review and approval of the minutes of the previous annual stockholders meeting
4. Ratification of all acts and resolutions adopted by the Board of Directors, Executive Committee and other committees of the Board of Directors, as well as Management since the last annual stockholders meeting held on May 26, 2022
5. Election of members of the Board of Directors (including Independent Directors)
6. Appointment of External Auditor
7. Annual report of Management and approval of the audited financial statements for the year ended December 31, 2022
8. Other matters

Only stockholders of record as of November 10, 2023 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders. Stockholders who intend to participate or be represented in the virtual meeting shall first submit the following via email to [ASM@atok.com.ph](mailto:ASM@atok.com.ph) not later than November 17, 2023 subject to validation procedures, to gain access to the secure online meeting link.

Once validated, confirmation along with access credentials to the secure online meeting link shall be sent to the stockholder's email as provided.

WE ARE NOT SOLICITING YOUR PROXY.

Copies of the following documents will be posted at the Company's website ([atokbigwedge.com](http://atokbigwedge.com)): (i) Minutes of the Annual Meeting of Stockholders held on May 26, 2022; (ii) Information Statement with Management Report; (iii) Annual Report (SEC Form 17-A); (iv) Consolidated Audited Financial Statements for the year ended December 31, 2022.

October 23, 2023.



CHARLES EDWARD CHENG  
*Corporate Secretary*

For ASM-related queries, please send an email to [ASM@atok.com.ph](mailto:ASM@atok.com.ph).

For account updating/validation concerns, please get in touch with the Company's Stock Transfer Agent, AB Stock Transfers Corporation (Attention: Haydee D. Gallarde), via ETPI line +63.2.5337-2031 local extension 169; via mobile number +63.917.544-8417; or via email to [hdgallarde@atok.com.ph](mailto:hdgallarde@atok.com.ph).

## AGENDA

### Explanation

1. Call to order  
The Chairman will formally open the meeting at approximately 11 o'clock in the morning.
2. Certification of Notice and Quorum  
The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.
3. Review and approval of the minutes of the previous annual stockholders meeting  
The minutes of the meeting held on May 26, 2022 is available at the Company's website: atokbigwedge.com. Stockholders will be asked to approve the proposed resolution below:  
*"RESOLVED, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders' Meeting held on May 26, 2022."*
4. Ratification of all acts and resolutions adopted by the Board of Directors, Executive Committee and other committees of the Board of Directors, as well as Management since the last annual stockholders meeting held on May 26, 2022. Stockholders will be asked to approve the proposed resolution below:  
*"RESOLVED, that all acts, resolutions, and deeds of the Company's Board of Directors and its Committees, as well as those of Management from the Annual Stockholders' Meeting held on May 26, 2022 up to the date of this meeting be as they are hereby, confirmed, ratified and approved"*
5. Election of members of the Board of Directors (including Independent Directors)  
The profiles of the nominees are included in the Information Statement. Stockholders will be given the opportunity to elect the directors who will serve for the term 2023-2024.
6. Appointment of External Auditor  
Endorsement to the stockholders the election of the external auditor who will conduct an independent verification of the Company's financial statements and provide an objective assurance on the accuracy of its financial statements for the ensuing year. Below is the proposed resolution for approval:  
*"RESOLVED, that Reyes Tacandong & Co., Certified Public Accountants, be, as they hereby are, re-appointed as external auditors of the Company for the year 2023-2024."*
7. Annual report of Management and approval of the audited financial statements for the year ended December 31, 2022  
The Company's Annual Report, Audited Financial Statements and Information Statement will be posted at the Company's website: atokbigwedge.com. Stockholders will be asked to approve the proposed resolution below:  
*"RESOLVED, that the Company's Audited Financial Statements for the year ended December 31, 2022 be, as the same are hereby, approved"*
8. Other matters  
The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.

## PROCEDURE FOR THE ANNUAL STOCKHOLDERS' MEETING

In consideration of health and safety concerns of everyone involved, the Executive Committee of the Board of Directors of the Company has approved and authorized stockholders to participate in the meeting *via* remote communication and to exercise their right to vote *in absentia* through electronic voting *via* the online web address provided.

### ELECTRONIC VOTING *IN ABSENTIA*

1. Stockholders on record of the Company as of November 10, 2023 may exercise their right to vote on the agenda items in the 2023 Annual Stockholders' Meeting (ASM) through electronic voting *in absentia*. To be included in the determination of quorum, stockholders who intend to participate in the meeting by remote communication and vote *in absentia* must notify the Company of their intention to participate and vote remotely by sending an e-mail addressed to the Company's Corporate Secretary at [ASM@atok.com.ph](mailto:ASM@atok.com.ph) and submit the following not later than November 17, 2023 (only registered stockholders as of November 10, 2023 shall be allowed to electronically vote *in absentia* or participate in the ASM by remote communication):

<ul style="list-style-type: none"><li>• Individual Stockholder</li></ul>	<ol style="list-style-type: none"><li>a) A legible copy of a valid identification card with photograph and signature of the stockholder and the proxy, that is issued by the government</li><li>b) Stock certificate number/s or a legible copy of the stock certificate</li><li>c) If appointing a proxy, a legible copy of the proxy form duly signed by the stockholder (need not be notarized)</li><li>d) E-mail-address, mailing address, and telephone/mobile telephone number of the stockholder or proxy</li></ol>
<ul style="list-style-type: none"><li>• Multiple Stockholders or Joint Owners</li></ul>	<ol style="list-style-type: none"><li>a) Proof of authority of stockholder voting the shares signed by the other registered stockholders</li><li>b) A legible copy of a valid identification card with photograph and signature of the representative stockholder, that is issued by the government</li><li>c) Stock certificate number/s or a legible copy of the stock certificate</li><li>d) E-mail-address, mailing address, and telephone/mobile telephone number of the representative</li></ol>
<ul style="list-style-type: none"><li>• Corporate Stockholders</li></ul>	<ol style="list-style-type: none"><li>a) Corporate Secretary's Certification of the Board resolution appointing and authorizing the proxy to participate in the meeting</li><li>b) A legible copy of a valid identification card with photograph and signature of the proxy</li><li>c) Stock certificate number/s or a legible copy of the stock certificate</li><li>d) E-mail-address, mailing address, and telephone/mobile telephone number of the proxy</li></ol>

The Office of the Corporate Secretary of the Company shall forward the stockholder's e-mail and its attachments to the Company's Stock Transfer Agent, AB Stock Transfers Corporation, for validation. The Company and the Stock Transfer Agent may require additional data or documents to ensure the identity and right to vote of the stockholder.

2. Once validated and verified, the stockholder, or the proxy, will be sent a confirmation correspondence and given access to the electronic link where he/she can register for the virtual meeting and cast his/her votes electronically. Deadline to vote *in absentia* through the electronic voting system is on December 05, 2023. Beyond this date, stockholders may no longer have the option to vote *in absentia*.

3. All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered stockholder, or his/her proxy, may proceed to vote. Each outstanding share of stock entitles the registered holder to one vote. For all items on the agenda for approval, the affirmative vote of at least a majority of the issued and outstanding stock entitled to vote and represented at the meeting will be required for approval. The stockholder may either vote for (Yes) or against (No) the item presented for approval or abstain from voting. The election of directors will be by plurality of votes and every stockholder shall be entitled to cumulate his votes. All votes received shall be tabulated by the Office of the Corporate Secretary. The Corporate Secretary shall report the results of voting during the meeting.
4. Once the registered stockholder, or the proxy, has finished voting on the agenda items, he/she can proceed to submit his/her electronic ballot by clicking the 'Submit' button. The stockholder, or the proxy, will then be redirected to an online webpage containing a summary of the votes cast. After the electronic ballot has been submitted, the registered stockholder may no longer make any change.

#### PARTICIPATION *VIA* REMOTE COMMUNICATION

1. Only the Stockholders, or their proxies, who have successfully registered with the Company's registration system may be given access to the livestream video service that will allow Stockholders to participate, or their proxies, in the ASM.
2. All questions and clarifications may be raised via e-mail prior to or during the meeting by sending an e-mail to [ASM@atok.com.ph](mailto:ASM@atok.com.ph) and shall be limited to the items in the Agenda of the meeting.
3. The meeting proceedings will be recorded in audio and video format. Requests for access to the recorded webcast of the ASM may be sent to [ASM@atok.com.ph](mailto:ASM@atok.com.ph).



**PROXY**

**This is to certify that:**

The Board of Directors of \_\_\_\_\_ (the  
"Stockholder"), being a registered stockholder of:

**ATOK-BIG WEDGE CO., INC.**  
(the "Corporation")

have appointed \_\_\_\_\_, with full power of substitution, as proxy, to represent the Stockholder, act in its behalf and vote all shares registered in its name in the books of the Corporation in any and all meetings of the stockholders of the Corporation, and any adjournments and postponements thereof, on all matters, general and specific, which may be brought to the consideration and approval of the stockholders of the Corporation at the said meeting(s), as fully to all intents and purposes as the Stockholder might do if present and acting through a duly-authorized representative.

This proxy supersedes all previous proxies executed by the Stockholder.

In Witness Whereof, the undersigned has hereunto set his hand this \_\_\_\_\_.

For \_\_\_\_\_ :

\_\_\_\_\_  
*Corporate Secretary*

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☒ Preliminary Information Statement  
☐ Definitive Information Statement

2. Name of Registrant as specified in its charter ATOK-BIG WEDGE CO., INC.

3. METRO MANILA, PHILIPPINES

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number PW 427-A

5. BIR Tax Identification Code 000-707-286

6. Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Bel-Air, Makati City  
Address of principal office Postal Code 1209

7. Registrant's telephone number, including area code +632 5310-7100 / +632 5337-2031

8. Date, time and place of meeting of security holders

Date December 05, 2023, Tuesday  
Time 11 o'clock A.M.  
Place The City Club at Alphaland Makati Place  
7232 Ayala Ave. Makati City via remote communication (zoom  
meeting room and livestream)

9. Approximate date on which the Information Statement is first to be sent or given to security holders: November 13, 2023, or at least fifteen (15) business days prior to meeting date.

10. Proxies will not be solicited.

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares Outstanding	Amount of Liabilities Outstanding as of September 30, 2023
Common Shares	2,545,000,000	₱1,292,908

12. Are any or all of registrant's securities listed in a Stock Exchange?  
Yes ☒ No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc.; Common Shares

PART I.
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A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders.

The Annual Meeting of the Stockholders of Atok-Big Wedge Co., Inc. (hereinafter referred to as "AB", the "Corporation" or the "Company") will be held on December 05, 2023, Tuesday, at 11' o'clock a.m. at The City Club at Alphaland Makati Place, 7232 Ayala Ave. Makati City via remote communication.

The complete mailing address of the registrant is the Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Bel-air, Makati City.

The approximate date on which the Information Statement is first to be sent or given to security holders is November 13, 2023, Monday, or at least fifteen (15) business days prior to meeting date.

Item 2. Dissenters' Right of Appraisal

There are no matters or proposed actions as specified in the attached Notice of Annual Meeting that may give rise to a possible exercise by shareholders of their appraisal rights or similar rights as provided in Title X of the Revised Corporation Code of the Philippines ("RCC").

Pursuant to Section 80 of the RCC, shareholders of the Company may exercise their right of appraisal in the following instances:

- (i) in case amendment of the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (ii) sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, as provided in the RCC;
- (iii) merger or consolidation;
- (iv) extension or limitation of corporate term;
- (v) investment of corporate funds for any purpose other than the primary purpose of the corporation was organized;

Each share of stock is entitled to one vote during stockholders' meetings. However, at all elections of directors, every stockholder entitled to vote may vote such number of stocks for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

The election of directors may only be held at a meeting convened for that purpose at which stockholders representing a majority of the outstanding capital stock are present in person or by proxy. However, any vacancy in the board, other than by removal or expiration of term, may be filled by the majority of the remaining directors if still constituting a quorum.

Pursuant to Section 81 of the RCC, a shareholder who shall have voted against any proposed action may exercise his appraisal right by making a written demand on the Company within thirty (30)

days after the date of the shareholders meeting where the vote was taken. Failure to make the demand within the prescribed period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrender of the stock certificates representing his shareholdings in the Company based on the fair value thereof as of the day prior to the date of the shareholders meeting where the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate actions, provided that no payment shall be made to the dissenting shareholder unless the Company has unrestricted retained earnings to cause such payment.

If within a period of sixty (60) days from the date of the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the shareholder, another by the Corporation and the third by the two thus chosen. The findings of the majority of the appraiser shall be final and their award shall be paid by the Company within thirty (30) days after such award is made.

### **Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director or officer of the Corporation, or nominee for election as director of the Corporation, or any associate of any of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting, other than election to office.

No director has informed the Corporation, in writing or otherwise, that he intends to oppose any action to be taken by the registrant at the Meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders Thereof**

- (a) All the outstanding 2,545,000,000 common shares of the Corporation as of record date are entitled to vote at the rate of one (1) vote per share.
- (b) The record date for purposes of determining the stockholders entitled to vote is November 10, 2023, Friday.
- (c) An item in the Agenda for the Annual Meeting is the election of directors for the ensuing year. The Corporation's stockholders have cumulative voting rights in the election of directors. Thus, a stockholder entitled to vote at the stockholders' meeting shall have the right to vote, in person or by proxy, the number of shares registered in his name in the stock and transfer book of the Corporation for as many persons as there are directors to be elected, or he may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided that the total number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.

Only registered stockholders of good standing as of November 10, 2023, Friday are entitled to vote.



The following have been nominated to the Board of Directors for the ensuing year:

Eric O. Recto  
Rodolfo Ma. A. Ponferrada (new)  
Walter W. Brown  
Charles Edward M. Cheng  
Jose Raymund L. Apostol (new)  
John Peter Chick B. Castelo  
Paul Francis B. Juat  
Anna Bettina Ongpin  
Mario A. Oreta  
Dennis A. Uy – Independent Director  
Margarito B. Teves – Independent Director

The following names have been nominated as members of the various committees of the Board of Directors for the ensuing year:

**Executive Committee**

- a. Eric O. Recto (Chairman)
- b. Rodolfo Ma. A. Ponferrada
- c. Anna Bettina Ongpin

**Audit Committee**

- a. Margarito B. Teves (Chairman/Independent Director)
- b. Anna Bettina Ongpin
- c. Mario A. Oreta

**Nominations Committee**

- a. Margarito B. Teves (Chairman/Independent Director)
- b. Eric O. Recto
- c. Anna Bettina Ongpin

**Compensation Committee**

- a. Eric O. Recto (Chairman)
- b. Rodolfo Ma. A. Ponferrada
- c. Anna Bettina Ongpin

The aforementioned nominees were nominated to the Nominations Committee by shareholders of the Company.

Pursuant to Section 38 of the Securities Regulation Code and Article III, Section 2 of the Corporation's By-Laws, the Corporation is required to elect at least two (2) independent directors, or such independent directors constituting at least twenty percent (20%) of the members of such board, whichever is less. Messrs. Margarito B. Teves and Dennis A. Uy were nominated by Mr. Eric O. Recto. The nominating shareholder is not related to any of the nominees for independent director.

A majority of the above-named nominees are expected to attend the scheduled Annual Meeting.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

1. *Security Ownership of Certain Record and Beneficial Owners of More Than 5% as of 30 September 2023*

(1) TITLE OF CLASS	(2) NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH	(3) NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH	(4) CITIZENSHIP	(5) NUMBER OF SHARES	(6) PERCENT TO TOTAL OUTSTANDING
Common	Boerstar Corporation* 6766 Ayala Avenue corner Paseo De Roxas, Makati City (Stockholder)	Estate of Roberto V. Ongpin – Beneficial Owner	Filipino	1,485,685,983	58.38%
Common	Boerstar Corporation* 6766 Ayala Avenue corner Paseo De Roxas, Makati City (Stockholder)	Eric O. Recto – Beneficial Owner	Filipino	289,532,821	11.38%
Common	North Kitanglad Agricultural Co., Inc. Kalugmanan Manolo Fortich, Bukidnon (Stockholder)	Walter W. Brown – controlling shareholder	Filipino	322,654,701**	12.63%
Common	PCD Nominee Corporation (Stockholder)	public shareholders – beneficial owner	Filipino	216,206,463**	8.50%

\* Shares subscribed by Boerstar Corporation are partially paid. The total fully paid-up shares of Boerstar Corporation amount to 584,241,964.

\*\*North Kitanglad Agricultural Co., Inc. (NKACI) has 212,683,739 shares lodged with PDTC and held by PCD Nominee Corporation. In all, NKACI owns 521,683,739 shares representing 20.5% of the total outstanding shares of the Company. Only the 212,683,739 shares are fully-paid shares.

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as at Record Date, is indirectly or directly the beneficial owner or more than 5% of the Company's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent (5%) of the outstanding shares of common stock. As of September 30, 2023, there are no persons holding more than 5% of the Company's common stocks that are under a voting trust or similar agreement.

2. Security Ownership of Management as of 30 September 2023

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OWNERSHIP	CITIZENSHIP	PERCENTAGE OF OWNERSHIP
Common	Estate of Roberto V. Ongpin	1 (direct) 1,485,685,983 (indirect)	Filipino	58.38%
Common	Eric O. Recto	1 (direct) 289,532,821 (indirect)	Filipino	11.38%
Common	Walter W. Brown	1 (direct) 322,654,700 (indirect)	Filipino	12.63%
Common	Dennis A. Uy	1,000 (direct) 100,000,000 (indirect)	Filipino	3.93%
Common	Rodolfo Ma. A. Ponferrada	100 (direct)	Filipino	Nil
Common	Charles Edward M. Cheng	100 (direct)	Filipino	Nil
Common	Jose Raymund L. Apostol	100 (direct)	Filipino	Nil
Common	Michael Angelo Patrick M. Asperin	100 (direct)	Filipino	Nil
Common	John Peter Chick B. Castelo	102 (direct)	Filipino	Nil
Common	Paul Francis B. Juat	100 (direct)	Filipino	Nil
Common	Anna Bettina Ongpin	100 (direct)	Filipino	Nil
Common	Mario A. Oreta	1 (direct)	Filipino	Nil
Common	Margarito B. Teves	100 (direct)	Filipino	Nil
TOTAL		2,197,875,310		86.32%
Total Issued & Outstanding Shares		2,545,000,000		100.00%

The Estate of Mr. Roberto V. Ongpin beneficially owns and controls Boerstar Corporation ("Boerstar"), which is the registered owner of approximately 69.75% of the Company. However, Mr. Eric O. Recto is the beneficial owner of 289,532,821 common shares registered in the name of Boerstar, corresponding to approximately 11.38% of the Company as indicated above.

To the extent known to the Corporation, there is no person holding more than five percent (5%) of the Corporation's voting stock under a voting trust or similar agreement.

(e) Changes in Control

The Corporation is not aware of any change in control or arrangement that may result in a change in control of the Corporation during the period covered by this Statement.

## Item 5. Directors and Executive Officers

The Directors and Executive Officers of the Corporation as of 31 December 2022, and their respective ages, positions held and periods of service are as follows:

<i>Name</i>	<i>Age</i>	<i>Citizenship</i>	<i>Position</i>	<i>Period During Which the Individual has Served as Such</i>
Roberto V. Ongpin*	86	Filipino	Chairman, Chief Executive Officer and Director	12 November 2009 to 05 February 2023
Dennis A. Uy	50	Filipino	Vice Chairman and Independent Director	31 May 2019 to Present; 31 May 2018 to Present
Eric O. Recto*	60	Filipino	President and Director	31 May 2017 to Present 12 November 2009 to Present;
Walter W. Brown	84	Filipino	Executive Vice President and Director	31 May 2018 to Present; 10 December 2009 to Present
Charles Edward M. Cheng	42	Filipino	Corporate Secretary Corporate Information Officer and Compliance Officer	30 June 2021 to Present
Jose Raymund L. Apostol**	59	Filipino	Director	02 August 2022 to Present
Michael Angelo Patrick M. Asperin	65	Filipino	Director	28 August 2014 to Present
John Peter Chick B. Castelo	57	Filipino	Director	28 August 2014 to Present
Paul Francis B. Juat	30	Filipino	Director	31 May 2018 to Present
Anna Bettina Ongpin	59	Filipino	Director	16 August 2013 to Present
Mario A. Oreta	77	Filipino	Director	12 November 2009 to Present
Margarito B. Teves	80	Filipino	Independent Director	26 May 2011 to Present
Josephine A. Manalo	80	Filipino	Treasurer	11 August 2015 to Present
Cristina B. Zapanta	60	Filipino	Compliance Officer-anti Money Laundering Manual and Senior Vice President for Finance	31 May 2016 to Present
Jeric P. Posio	34	Filipino	Vice President for Finance	26 May 2022 to Present

\*As previously disclosed, Mr. Roberto V. Ongpin passed away on 05 February 2023. Subsequently, at the Special Meeting of the Board of Directors of the Company held on 02 March 2023, Mr. Eric O. Recto stepped down as the Company's President and was appointed as Chairman and Chief Executive Officer. Further, at the same meeting, Atty. Rodolfo Ma. A. Ponferrada was elected as Interim Director, to serve for the remainder of Mr. Ongpin's term. Atty. Ponferrada was also appointed as the Company's President.

\*\*As previously disclosed, Mr. Dennis O. Valdes retired from group service and resigned as Director of the Company effective 02 August 2022. At the Special Meeting of the Directors of the Company held on 02 August 2022, Mr. Jose Raymund L. Apostol was elected as Interim Director, to serve for the remainder of Mr. Valdes' term.



Following are information on the educational attainment, business experience for the last five years and other directorships held in other companies credentials of each of the above-named Directors and Officers, and present nominees for membership in the Board of Directors of the Corporation:

**ROBERTO V. ONGPIN, *Former Chairman of the Board, Chief Executive Officer and Director***

Mr. Ongpin, Filipino, 86 years old, was elected Director and Chairman of the Board on 12 November 2009. He is also the Chairman of Alphaland Corporation, a former Chairman of Philweb Corporation, a former Director of San Miguel Corporation, PAL Holdings, Inc. and Petron Corporation. He was the former Chairman of Alphaland Balesin Island Club, Inc. In Hong Kong, he was the Non-Executive Director of Shangri-La Asia and the former Deputy Chairman of the South China Morning Post, both listed in the Hong Kong Stock Exchange. He is also the former Non-Executive Director of Forum Energy PLC (United Kingdom). Mr. Ongpin graduated cum laude in Business Administration from the Ateneo de Manila University, is a Certified Public Accountant and has an MBA from the Harvard Business School.

**ERIC O. RECTO, *Chairman of the Board, Chief Executive Officer and Director***

Mr. Recto, Filipino, 60 years old, was elected Director on 12 November 2009 and appointed as Director on 10 December 2009. He is presently the Chairman of Alphaland Corporation, Inc., the Chairman of the Philippine Bank of Communications in 2012. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and President of Optimum Dev't. Holdings Phils., Inc.; Independent Director of Aboitiz Power Corporation and PH Resorts Group Holdings, Inc.; Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and a Member of the Board of Supervisors of Acentic GmbH. Mr. Recto served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. Mr. Recto has a degree in Industrial Engineering from the University of the Philippines as well as an MBA from the Johnson School, Cornell University.

**DENNIS A. UY, *Vice Chairman and Independent Director***

Mr. Uy, Filipino, 50 years old, was elected Independent Director and appointed as Vice Chairman of the Board of Directors on 31 May 2018. Mr. Uy is also the Founder, Chairman and CEO of UDENNA Corporation and Dito Telecommunity Corporation; Chairman of Dito CME Holdings Corp.; Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chelsea Logistics Holdings Corporation, Chairman of UDENNA Land, Inc., PH Resorts Group Holdings Corp.; Chairman and President of UDENNA Infrastructure Corp.; Chairman of Phoenix Philippines Foundation, UDENNA Foundation, Silad Atletas Pilipinas Sports Foundation and LIFE Fund. He was appointed Presidential Adviser on Sports in 2016, and has been an Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

**RODOLFO MA. A. PONFERRADA, *President & Interim Director***

Atty. Ponferrada was elected Director and President on 2 March 2023. He is also the founding partner of Ponferrada San Juan & Fernandez Law Offices. He was the General Counsel of the RVO Group of Companies from 2006 to 2016. He was also the Corporate Secretary of Atok-Big Wedge Co., Inc. from 2009 to 2016. Currently, he is a Director and President of Alphaland Corporation and several of its subsidiaries and affiliates. He also served in government as Technical Assistant to the Executive Secretary under President Macapagal-Arroyo and as Assistant Chief of Staff to Vice President De Castro. He started

his law practice as an associate at SyCip Salazar Hernandez & Gatmaitan Law Office. Mr. Ponferrada graduated with a degree in Bachelor of Laws cum laude from the University of the Philippines and a degree of Bachelor of Science in Management (Honors Program) magna cum laude with a Minor in Japanese Studies from the Ateneo de Manila University. He placed number 1 in the 2001 Philippine Bar Examinations.

**WALTER W. BROWN, *Executive Vice-President and Director***

Dr. Brown, 84 years old, Filipino, was elected Director on 10 December 2009. He is presently the Executive Vice-President of Atok-Big Wedge Co., Inc. He is also the President and CEO of Apex Mining Co., Inc.; the Chairman of A Brown Company, Inc.; Palm Thermal Consolidated Holdings Corporation; International Cleanenvironment Systems, Inc.; North Kitanglad Agricultural Company, Inc.; PhiGold; and A Brown Energy & Resources Dev't. Inc.; President of Monte Oro Resources and Energy Inc.; and PBJ Corporation. He received two undergraduate degrees: B.S. Physical Science (1959) and B.S. Geology (1960), both from the University of the Philippines, and post graduate degrees from Stanford University: M.S. Economic Geology (1963), and Ph.D in Geology, and Major in Geochemistry (1965). He was a candidate in master of Business Economics (1980) from the University of Asia & the Pacific (formerly Center for Research & Communications). He is currently the Chairman and Director of Family Farm School (PPAI), Chairman and President of Studium Theologiae Foundation, Vice Chairman of the Board of Trustees of Xavier University, and the Geological Society of the Philippines.

**CHARLES EDWARD M. CHENG, *Corporate Information Officer, Compliance Officer, Corporate Secretary and Nominee for Director***

Atty. Cheng, Filipino, 42 years old, was appointed as Corporate Information Officer, Compliance Officer and Corporate Secretary on 30 June 2021. He is also connected with Alphaland Corporation as Assistant to the Chairman and Senior General Counsel of the said company, its subsidiaries and affiliates. Immediately prior to joining the Company, he served as Legal Counsel for Royal Dutch Shell PLC subsidiaries, including, among others, Shell Philippines Exploration B.V., Pilipinas Shell Petroleum Corporation and Shell Global Solutions International B.V. Before joining Shell, he was a Senior Associate in the Corporate and Special Projects Department of Villaraza Cruz Marcelo and Angangco (Carpio Villaraza Cruz). He finished his Bachelor of Science Degree in Management minor in Finance, Honorable Mention, from the Ateneo de Manila University and completed his L.L.B from the University of the Philippines College of Law in 2007, graduating with honors.

**JOSE RAYMUND L. APOSTOL, *Interim Director***

Mr. Apostol, Filipino, 59 years old, was elected Director on 2 August 2022. He was previously a Director and President of the Company from 01 June 2013 to 30 September 2016. He is currently the Senior Executive Vice President of Monte Oro Resources and Energy, Inc. He was a Director and the President of Forum Energy Philippines Corp. from 2007 to 2013 and President and Technical Director of PhiGold Metallic Ore Inc. from 2008 to 2013. He was also a Non-exclusive consultant of Forum Exploration Inc., Non-Exclusive Adviser to the Chairman & CEO of Philex Petroleum Corporation, and Country Manager for Philippine Operations of Sterling Energy (plc), U.K., among others. He is a Geologist by profession. He is a Director of Petroleum Association of the Philippines. He is also a member of Southeast Asian Petroleum Exploration Society, American Association of Petroleum Geologists and Geological Society of the Philippines. He graduated with a degree of Bachelor of Science in Geology from the University of the Philippines.

**MICHAEL ANGELO PATRICK M. ASPERIN, *Director***

Mr. Asperin, Filipino, 65 years old, was elected Director on 28 August 2014. He is a Director and Chief Operating Officer of Alphaland Corporation and also handles the operations of the aviation and security divisions of the Alphaland Group of Companies. He is also the President and Chief Executive Officer of Alphaland Balesin Island Club, Inc. (ABICI). Prior to joining Alphaland, he served in Philweb Corporation from 2009 to 2012 as Senior Vice President for Enterprise Risk Management. He graduated from the Philippine Military Academy in 1981.

**JOHN PETER CHICK B. CASTELO, *Director***

Mr. Castelo, Filipino, 57 years old, was elected Director on 28 August 2014. He is presently the Senior Vice President for Business Development of Araneta Center Inc. and sits in the board of its various subsidiaries and affiliates. He had 27 years of experience in real estate and finance industries. He earned his Masters in Business Administration and Degree in Bachelor of Science in Electrical Engineering from the University of the Philippines in Diliman.

**PAUL FRANCIS B. JUAT, *Director***

Mr. Juat, Filipino, 30 years old, was elected Director on 31 May 2018. He is a director of Brownfield Holdings Corporation, North Kitanglad Agricultural Company, Inc., PBJ Corporation, and Pacific Bougainville Holdings Corporation. He also currently serves as Assistant to the President of Apex Mining Co., Inc. He holds a Bachelor's Degree in Industrial Engineering from the University of the Philippines, Diliman.

**ANNA BETTINA ONGPIN, *Director***

Ms. Ongpin, Filipino, 59 years old, was elected Director on 16 August 2013. She is also currently the Vice-Chairman, Assistant to the Chairman and Director of Alphaland Corporation. She too is the Chairman of Alphaland Balesin Island Club, Inc.; Chairman and President of The City Club at Alphaland Makati Place, Inc.; and Chairman of The Alpha Suites. Ms. Ongpin has more than thirty years of communications, marketing, project management, and operations experience in the management consulting and media fields. She holds a Bachelor's Degree in Political Science from Wellesley College.

**MARIO A. ORETA, *Director***

Mr. Oreta, Filipino, 77 years old, was elected Director on 12 November 2009. He is also a Director of Alphaland Corporation and The City Club at Alphaland Makati Place, Inc. He served as President of Alphaland Corporation from 2007 to 2016. He graduated with honors from the Ateneo De Manila University with a degree in Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo and Ongsiako after graduating from law school. He is the managing partner of The Law Firm of Mario A. Oreta and Partners.

**MARGARITO B. TEVES, *Independent Director***

Mr. Teves, Filipino, 80 years old, was elected Independent Director on 26 May 2011. He is also an Independent Director of Alphaland Corporation, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc. He is currently the the Independent Director of Petron, Atlantic Aurum Investments Philippines Corporation and San Miguel Corporation. He was formerly Secretary of the

Department of Finance, Landbank President and CEO, and a Member of the House of Representatives (representing the 3rd District of Negros Oriental). He obtained a Higher National Diploma (HND) in Business Studies, equivalent to a BSC in Business Economics, from the City of London College, and a Master of Arts (MA) in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA. He was conferred an Honorary Degree, Doctor of Laws, by Williams College, and named Senior Adviser to the China-Asean Economic and Culture Research Center and Visiting Professor at the Guilin University of Electronic Technology in China.

**JOSEPHINE A. MANALO, Treasurer**

Ms. Manalo, Filipino, 80 years old, was appointed Treasurer on 11 August 2015. She is connected with Alphaland Corporation as Executive Assistant to the Chairman. She is also works in various capacities for Mr. Roberto V. Ongpin's Group of Companies. She has a Bachelor of Science in Business Administration degree from St. Theresa's College, Manila.

**CRISTINA B. ZAPANTA, Senior Vice President for Finance and Compliance Officer for Anti-Money Laundering Manual**

Ms. Zapanta, Filipino, 60 years old, was appointed Vice President for Finance and Compliance Officer for Anti-Money Laundering Manual on 31 May 2016. She is presently the Company's Senior Vice President for Finance. She is also the Senior Vice President for Finance of Alphaland Corporation; Alphaland Balesin Island Resort Corporation; Alphaland Balesin Island Club, Inc.; Alphaland Makati Place, Inc. and Alphaland Southgate Tower, Inc. Prior to joining the Company, she was the Finance and Administration Head of Connectivity Unlimited Resources Enterprise, Inc. (2006-2008) and Accounting Head of Belle Corporation (1997-2006). She has more than 30 years solid experience in Finance, of which over half is in the real estate industry. She is a Certified Public Accountant.

**JERIC P. POSIO, Vice-President for Finance**

Mr. Posio, Filipino, 34 years old, was appointed as Vice President for Finance on May 26, 2022. He is also the Senior Vice President for Finance of Alphaland Corporation and its subsidiaries and affiliates.

**PHILIP LOUIE H. ESTEMBER, Nominated as Assistant Corporate Secretary**

Mr. Estember, Filipino, 38 years old, was nominated as Assistant Corporate Secretary of the Company. He obtained his Legal Management Degree and Law degrees from the University of Santo Tomas and San Beda College of Law - Manila, respectively, and was admitted to the Philippine Bar in 2014.

**For election during the Annual Meeting:**

As Regular Directors –

ERIC O. RECTO (incumbent)

RODOLFO MA. A. PONFERRADA (new)

WALTER W. BROWN (incumbent)

CHARLES EDWARD M. CHENG (incumbent)

JOSE RAYMUND L. APOSTOL (new)

JOHN PETER CHICK B. CASTELO (incumbent)

PAUL FRANCIS B. JUAT (incumbent)

ANNA BETTINA ONGPIN (incumbent)



MARIO A. ORETA (incumbent)

As Independent Directors-

MARGARITO B. TEVES (incumbent)

DENNIS A. UY (incumbent)

The procedure and requirements under Rule 38 (Requirements on Nomination and Election of Independent Directors) of the Securities and Regulation Code, substantially incorporated in Article II of Section 4 (Nomination and Election of Independent Directors) of the Company's Amended By-Laws, which were approved on 16 July 2008, were followed in the nomination of Independent Directors and will be observed in the election of Independent Directors.

Each of Messrs. Margarito B. Teves and Dennis A. Uy, if elected, would be an independent director who does not have a relationship with the Company which would interfere with the exercise of his independent judgment in carrying out the responsibilities of a director. Messrs. Teves and Uy are not related to any of the directors or officers of the Company.

The Board of Directors found that the independence of Director Teves has not been diminished or impaired by his long service as member of the Board of Directors and has full confidence that Director Teves will continue acting as Independent Director. For the stated meritorious reasons, the Board of Directors approved and endorsed for the vote of the stockholders of the Company the election of Director Teves as Independent Director of the Company.

Mr. Eric O. Recto nominated Messrs. Teves and Uy as independent directors of the Company for the ensuing year. The Nominations Committee has taken into consideration their qualifications to be an independent director. Attached as **Annexes "A", and "B"** are the Certificates on the qualification of the nominees for Independent Directors. Also attached as **Annex "C"** is the certification that no directors or officers are connected with any government agencies or its instrumentalities.

In approving the nominations for Independent Directors, the Nomination Committee took into consideration the guidelines on the nomination of Independent Directors prescribed in SEC Memorandum Circular No. 16, Series of 2002. All the nominees for election to the Board of Directors have at least one (1) share registered in their names.

### **Term of Office**

Under Article II, Section 1 of the Corporation's Amended By-Laws, the directors chosen by the stockholders of the Corporation entitled to vote at the annual meeting shall hold office for one (1) year until their successors are elected and shall have qualified.

### **Directorships in Other Reporting Companies**

Mr. Eric O. Recto is the Chairman of Alphaland Corporation. He is also a director of Dito CME Holdings Corp. and an Independent Director of Aboitz Power Corporation, PH Resorts Group Holdings, Inc. and Manila Water Corporation.

Dr. Walter W. Brown is also a director of A Brown Company, Inc. (BRN) and Philippine Realty & Holdings Corporation (RLT).

Ms. Anna Bettina Ongpin is also a director and the Vice Chairman of Alphaland Corporation. She is also the Chairman and President of The City Club at Alphaland Makati Place, Inc., and a director and the Chairman of Alphaland Balesin Island Club, Inc.

Mr. Michael Angelo Patrick M. Asperin is a director and the Chief Operating Officer of Alphaland Corporation. He is also a director and the Chief Executive Officer of Alphaland Balesin Island Club, Inc.

Mr. Margarito B. Teves is also an Independent Director of San Miguel Corporation (SMC), Petron Corporation (PCOR), Alphaland Corporation, The City Club at Alphaland Makati Place, Inc., and Alphaland Balesin Island Club, Inc.

Mr. Dennis A. Uy is the Chief Executive Officer and President of Phoenix Petroleum Philippines, Inc. (PNX), Chairman and CEO of Dito CME Holdings Corp. (formerly ISM Communications) and the Chairman of 2GO Group, Inc. (2GO), PH Resorts Group Holdings, Inc. (PHR) and Chelsea Logistics Holdings Corp. (CLC). He is also a director of Alphaland Corporation and an Independent Director of Apex Mining Company, Inc. (APX).

Shares of DITO, BRN, RLT, EEI, PNX, 2GO, CLC, PBC, SMC, PCOR, WEB, PHR, and APX are all listed in the Philippine Stock Exchange, Inc. Shares of Alphaland Corporation, The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc. are covered by Registration Statements filed with the SEC.

### Significant Employee

The Company considers its entire workforce as significant employees (including employees of its subsidiary AB Stock Transfers Corporation). Everyone is expected to work together as a team to achieve the Company's goals.

### Family Relationships

Ms. Anna Bettina Ongpin is the daughter of Mr. Roberto V. Ongpin. Messrs. Recto is the nephew of Mr. Ongpin. Mr. Recto and Ms. Ongpin are first cousins. Mr. Paul Francis B. Juat is the grandson of Mr. Walter W. Brown. Other than the foregoing, the persons nominated or chosen by the Company to become directors or executive officers are not related to each other up to the forth civil degree either by consanguinity or affinity.

### Involvement in Certain Legal Proceedings

1. *Atty. Zenaida Ongkiko-Acorda, as attorney in fact of Atty. Mario E. Ongkiko and in behalf of Philex Mining Corporation vs. Roberto V. Ongpin, et al.*, SEC Case No. 11-166, Branch 158, Regional Trial Court of Pasig. This involves a purported "derivative suit" filed on behalf of Philex against Mr. Roberto V. Ongpin (RVO) and other companies beneficially owned by RVO in connection with Section 23.2 of the Securities Regulation Code and in order to recover the "short-swing profits", which were allegedly realized from supposed transactions involving Philex shares. The case is scheduled for pre-trial conference. A related Petition for Review on Certiorari is also pending before the Supreme Court in G.R. No. 204166, entitled Roberto V. Ongpin, et al. vs. Ongkiko-Acorda, et al. There is also a Petitions for Certiorari which are related to this case pending with the Court of Appeals docketed as CA-G.R. SP No.

124683 (entitled Roberto V. Ongpin, et al. vs Honorable Maria Rowena Modesto San-Pedro, in her capacity as the presiding Judge of Branch 158 of the Regional Trial Court of Pasig City, et al.).

2. *People vs. Roberto V. Ongpin, et al.*, S.B.-13-CRM-0105 and S.B.-13-CRIM-0106, Sandiganbayan (Third Division). This case was filed against RVO and others in connection with two loans obtained by Deltaventure Resources, Inc. (DVRI) from DBP, both of which were fully paid even before maturity. The Informations in both cases for violations of Section 3 (e) of R.A. No. 3019 were filed on 10 January 2013. In a Resolution promulgated on 28 May 2014, the Third Division of the Sandiganbayan granted the Accused's Motions to Quash and DISMISSED Criminal Case Nos. S.B.-13-CRM-0105 and S.B.-13-CRIM-0106. A Petition for Review on Certiorari questioning and dismissal of the case is pending before the Supreme Court in G.R. Nos. 217417 and 217914, entitled "People of the Philippines v. Reynaldo G. David, et al."

3. *In the matter of: Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al.*, SEC-EIPD Case No. 14-3039. This concerns the findings of the Enforcement and Investor Protection Department on the liability of respondents for violation of Section 26(3) of the Securities Regulation Code (SRC) in connection with the issuance of shares of Alphaland Corporation in a capital call, stock rights offering and property for share swap which were approved and ratified by respondents as officers and members of the Board of Alphaland Corporation. On August 24, 2015, Respondents elevated the matter through notice of appeal to the SEC En Banc, where the matter is presently pending resolution. The appeal is docketed as SEC En Banc Case No. 08-15-384, entitled "Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al. vs. Enforcement and Investor Protection Department". The appeal is docketed as SEC En Banc Case No. 08-15-384, entitled "Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al.. vs. Enforcement and Investor Protection Department."

4. *In the Matter of: Philex Mining Corporation*, SEC-EIPD Case No. 14-3044. This concerns the findings of the Enforcement and Investor Protection Department against Mr. Roberto V. Ongpin for allegedly committing Insider Trading when he purchased Philex shares at Php19.25 to Php 19.50 per share from the open market in the morning of 02 December 2009 without disclosing to the public that the group of Mr. Manuel V. Pangilinan had agreed to purchase the said shares from him at P21.00 per share. RVO appealed the case to the SEC En Banc but the latter affirmed the findings of the EIPD. Mr. Ongpin elevated the case to the Court of Appeals by way of a Petition for Review docketed as CA-G.R. SP. No. 146704, entitled "Roberto V. Ongpin v. Enforcement and Investor Protection Department". On December 1, 2017, the Court of Appeals issued a decision in favor of RVO, reversing the SEC and finding that RVO did not commit insider trading. EIPD filed a Motion for Reconsideration, which was denied by the Court of Appeals on July 2, 2018. EIPD elevated the case to the Supreme Court by way of a Petition for Review. On 30 September 2020, the Supreme Court issued a resolution dismissing the Petition for Review filed by the SEC-EIPD. A motion for reconsideration of the dismissal is pending resolution by the Supreme Court.

5. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does* - Regional Trial Court-Branch 14, Davao City, Criminal Case Nos. 75, 834-13 to 75, 845-13 and 76, 076-13. On August 27, 2013, The Department of Justice (DOJ) filed twelve (12) Informations before the Regional Trial Court of Davao against Mr. Dennis A. Uy and several John Does and/or Jane Does for alleged violations of Section 3602, in relation to Sections 3601, 2530 (1)(1), (3), (4), and (5), Sections 1801, 1802 of the Tariff and Customs Code of the Philippines. These provisions all pertain to unlawful importation of goods allegedly committed by Mr. Uy for the importation of petroleum products in the Philippines.

On September 5, 2013, Mr. Uy's Counsel filed an Omnibus Motion, which prayed, among others, for the dismissal of criminal case for lack of probable cause.

Additional ten (10) criminal informations were filed by the DOJ on September 11, 2013, pertaining to additional instances of the same violations under the TCCP. These additional informations all pertain to the alleged unlawful importation of goods for the importation of petroleum products. Hence, Mr. Uy's counsel filed a supplemental motion on September 19, 2013 for the dismissal of the 10 additional informations.

On October 4, 2013, the RTC issued an Order dismissing all the case against Mr. Uy. The trial court held that there was no probable cause based on evidence for Mr. Uy to be held on trial.

Subsequently, however, the plaintiff, People of the Philippines, filed a Motion for Reconsideration to reverse the dismissal of all criminal cases. On August 18, 2014, the RTC denied the motion for Reconsideration.

Thereafter, the plaintiff People of the Philippines filed a Petition for Certiorari with the Court of Appeals for the reversal of the dismissal Orders issued on October 4, 2013 and August 18, 2014. Please see case 6 below for status on the Petition for Certiorari.

6. *People of the Philippines vs. Hon. George E. Omello, in his capacity as Presiding Judge of the Davao City Regional Trial Court-Branch 14, Hon. Loida S. Posadas-Kahugan, in her capacity as Acting Presiding Judge of the Davao City RTC-Branch 14, Dennis Ang Uy, John Does and/or Jane Does, CA-G.R. SP No. 06500-MIN, Court of Appeals, Cagayan de Oro City, 23<sup>rd</sup> Division* – On October 27, 2014, the petitioner People of the Philippines filed a Petition for Certiorari seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court dismissing the criminal cases filed against Dennis Uy (under case 5) for having been issued with grave abuse of discretion amounting to lack or excess of jurisdiction, such that the issued orders were capricious, whimsical, or arbitrary.

Mr. Uy's counsel filed his Comment/Opposition to the said Petition for Certiorari, and the parties subsequently filed their respective Memoranda.

On October 12, 2016, the Court of Appeals issued a resolution denying the Petition for Certiorari filed by the People of the Philippines. The Court of Appeals ruled that "there is no showing that the error was capricious, whimsical or arbitrary. Further, the voluminous records evidence that the RTC's challenged Orders took careful account of the respective claims and defenses of the parties, as well as the evidence submitted. Such studious and studied consideration negates whimsically and arbitrariness.

Thus, on November 7, 2016, the People of the Philippines filed a Motion for Reconsideration of the Decision dated October 12, 2016. To date, the Court of Appeals has not acted on the Motion for Reconsideration dated November 7, 2016 and thus the case remains pending.

7. *Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs, CA-G.R. SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division* – In connection to the resolution of the DOJ to file criminal cases against Dennis Uy, Mr. Uy sought remedy to question the resolutions of the DOJ which found probable cause against him for the alleged violations of the TCCP.

Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013 for the reversal of these resolutions.

On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari of Mr. Uy and declaring the Resolutions of the DOJ dated April 24, 2013 and August 13, 2013 nullified and set aside



and directing that the Information filed against Dennis Uy withdrawn and/or dismissed for lack of probable cause.

Thereafter, a Motion for Reconsideration of the Court of Appeals Decision was filed by the DOJ and the Bureau of Customs. On July 23, 2015, the Court of Appeals issued its Resolution denying the Motion for Reconsideration of the DOJ and the Bureau of Customs.

Subsequently, the DOJ filed a Motion for Extension to file Petition for Review on Certiorari with the Supreme Court.

8. *Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Dennis A. Uy, G.R. No. 219295-219296, Supreme Court, 2<sup>nd</sup> Division* – On October 8, 2015, respondent Dennis A. Uy received a copy of the Petition for Review on Certiorari dated September 8, 2015 filed by petitioners SOJ and Bureau of Customs seeking to set aside the Court of Appeals' Decision dated July 25, 2014 and July 23, 2015. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties Memoranda. As of the date, the Supreme Court has not yet issued any decision.

Other than the foregoing, the Corporation knows of no legal proceedings including without limitation any (a) bankruptcy petition, (b) conviction by final judgment, (c) order, judgment or decree, or (d) violation of a securities or commodities law, during the last five (5) years up to the date of the filing of this Statement, to which any of its Directors and Executive Officers is a party and which is material to an evaluation of their ability or integrity to act as such.

Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any final order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.



## Certain Relationships and Related Transactions

The following table summarizes the Group's transactions with related parties (entities with common directors) for the years ended December 31, 2022 and 2021 and the related balances as at December 31, 2022 and 2021:

	Nature of Transaction	Amount of Transactions		Outstanding Balance	
		2022	2021	2022	2022
<b>Receivable from related parties</b>					
<i>Entities under common management:</i>					
Alphaland Corporation (ALPHA)	Allocated costs	P—	P—	P3,715	P37,545
	Service fee	182,030	182,030	—	—
Alphaland Heavy Equipment Corporation	Allocated costs	—	—	579,305	579,305
The City Club at Alphaland Makati Place, Inc.	Service fee	180,000	180,000	—	33,600
Alphaland Balesin Island Club, Inc.	Service fee	180,000	180,000	—	—
	Reimbursements	—	16,800	32,500	99,700
Alphaland Aviation Inc.	Reimbursements	—	—	796	796
				P616,316	P750,946
<b>Rental and security deposits</b>					
<i>Entity under common management -</i>					
Alphaland Southgate Tower, Inc. (ASTI)	Deposits in relation to lease agreement	P—	P—	P1,349,090	P1,349,090
Alphaland Makati Place, Inc. (AMPI)	Deposits in relation to lease agreement	—	—	33,482	33,482
				P1,382,572	P1,382,572
<b>Payable to related parties</b>					
<i>Entities under common management:</i>					
AMPI	Lease of office space	P—	P39,395	P7,736	P7,736
	Lease of office space				
ASTI	and utilities	—	—	—	—
	Reimbursements	—	—	33,774	33,774
				P41,510	P41,510
<b>Receivables from related parties</b>					
Stockholders	Cash Advances	P—	P210,000,000	P194,865,252	P194,865,252

Aside from the foregoing, there are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

The Company's Conflict of Interest policy requires directors, officers, employees, and consultants who find themselves in a potential or actual conflict of interest situation to promptly disclose the matter and, as applicable, seek approval/authorization. Unless otherwise authorized by the Company, the person concerned is required to inhibit himself/herself from any action, transaction, discussion, evaluation, or decision involving such conflict of interest. The policy also prohibits the Company from granting personal loans to directors or officers unless allowed by applicable laws and regulations.

### Item 6. Compensation of Directors and Executive Officers

In the years 2022 and 2021, the Company gave directors per diem in the total amount of Php40,000.00 each (per director per meeting), net of withholding taxes. The directors and officers did not receive any other compensation from the Corporation in the form of bonus, warrants, options, or participation in any profit-sharing plan in the years 2022 and 2021.

Annual Compensation of the Five Most Highly-Paid Executives including the CEO:

(a)	(b)	(c)	(d)	(e)
Name and Principal Position	Year	Salary	Bonus	Other Annual Comp
1. Roberto V. Ongpin Chairman and CEO				
2. Eric O. Recto President				
3. Merilyn G. De Guzman General Administration and Support Manager				
4. Haydee D. Gallarde Officer-in-Charge for ABSTC				

Aggregate Compensation of the Five Most Highly-Paid Executives including the CEO:

2018	988,000.00
2019	978,572.25
2020	996,891.99
2021	1,148,386.09
2022	1,124,500.00
2023 (estimate)	1,170,000.00

There are no material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, directly or indirectly, for any services rendered as director.

There is no employment contract between the Corporation and a named executive officer.

There is no compensatory plan or arrangement between the Corporation and any executive officer in case of resignation, retirement or any other termination of the executive officer's employment with the Corporation, or from a change in the management control of the Corporation, or a change in the named executive officer's responsibilities following a change in the management control.

Below is the total compensation received by each Director in the year 2022:

<i>Director</i>	<i>Total Per Diem (in Php)</i>
Roberto V. Ongpin	Php 40,000.00
Dennis A. Uy	Php 40,000.00
Eric O. Recto	Php 40,000.00
Walter W. Brown	Php 40,000.00
Charles Edward M. Cheng	Php 40,000.00
Michael Angelo Patrick M. Asperin	Php 40,000.00
John Peter Chick B. Castelo	Php 40,000.00
Paul Francis B. Juat	Php 40,000.00
Mario A. Oreta	Php 40,000.00
Margarito B. Teves	Php 40,000.00

#### Item 7. Independent Public Accountants

The Company's independent certified public accountant ("ICPA") for 2022 and 2021 is Reyes Tacandong & Co. and the engagement partner is Mr. Emmanuel V. Clarino.

The 2022 audit of the Company is in compliance with SRC Rule 68(3)(b)(IV) that provides that the external auditor should be rotated every five (5) years or earlier or the engagement partner shall be changed. The engagement partner is Mr. Emmanuel V. Clarino.

During Audit Committee and/or Company meetings that would have an agenda that would affect the financial statements of the Company, a representative of the External Auditor is expected to be present to discuss issues and be available to respond to appropriate questions. The External Auditor is given the opportunity to make a statement if necessary pertaining to matters that may affect the examination of the books of the Company. The Chairman of the Audit Committee of the Corporation is Mr. Margarito B. Teves.

There are no changes in or disagreement with the accountants on accounting and financial disclosures.

The recommended ICPA for 2023 is Reyes Tacandong & Co. and the engagement partner is Mr. Emmanuel V. Clarino.

#### **Item 8. Financial and Other Information**

The financial statements as of September 30, 2023 and December 31, 2022 and 2021, and other data related to the Company's financial information are stated in the Management Report attached to this Information Statement. Please see pages 24 to 38 for management's discussion and analysis.

#### **Item 9. Merger, Consolidations, Acquisition & Similar Matters**

There is no planned merger, consolidation, acquisitions and other similar matters to be submitted to the stockholders for their vote.

#### **Government Approvals**

The Company has complied with government rules and regulations and has paid all the necessary taxes and fees. It regularly coordinates with the Department of Energy (DOE) and DENR with regard to new rules and regulations that may be promulgated.

#### **Employees**

As of end of 2022, the Company has two (2) regular employees while ABSTC, the Company's subsidiary, has only one (1) regular employee, which employees are not subject to Collective Bargaining Agreement. The Company has no plans of adding additional employees for the ensuing twelve (12) months. However, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees. The principal duties and responsibilities of the employees of the Company and its subsidiaries are to conduct technical evaluation of potential mining projects, maintain the validity and existence of the subsidiary's mining rights, conduct exploration and development works, set and run a pilot gold processing plant, and secure all other properties of the subsidiary, including the plant, equipment, records, maps and other valuable information at the mine site.

#### **Patents, Trademarks, Copyrights, Licenses, Concessions and Royalty Agreements**

The company does not own any registered patent, trademark or copyright. Neither is it a recipient of any license or concession nor a party to any royalty agreement.

## Effect of Existing or Probable Governmental Regulations

In 2012, Forum encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. However, the permit has not yet been issued by the relevant Government body. The latest resource assessment supported the case to proceed with the drilling and Forum has been granted an extension up to August 2015 to complete its obligations under the service contract. Forum expects to proceed with its commitment as soon as it is able to obtain the necessary authorization from the Government. The Philippine Department of Energy has granted a force majeure on Service Contract 72 [SC 72] because this contract area falls within the territorial disputed area of the West Philippine Sea.

On July 3, 2018, the Department of Environment and Natural Resources issued Administrative Order No. 2018-13 lifting the moratorium on the acceptance, processing and/or approval of applications for Exploration Permit under DENR Memorandum Order No. 2016-01. With the lifting of the moratorium on exploration permit processing, the DENR can proceed with the evaluation of the Company's existing exploration permit application in Agusan del Norte which the company filed on October 29, 2013. The company had previously complied with the orders of the Mines and Geosciences Bureau (MGB) relative to its EPA by filing two 2 revisions as well as paying the filing fee assessed by MGB. The MGB was in the process of evaluating the company's EPA when the DENR issued Memorandum Order 2016-01 ordering a moratorium on new mining applications. With the lifting of the said moratorium, the MGB is set to endorse the application to its Regional Office in Agusan del Norte which will then require the company to submit additional requirements before approving the same.

On 20 November 2018, during the state visit of Chinese President Xi Jinping to the Philippines, the Philippines and China exchanged a Memorandum of Understanding (MOU) on oil and gas development in the West Philippine Sea. In the said MOU, both countries agreed to establish an Inter-Governmental Joint Steering Committee which will be responsible for negotiating and agreeing the cooperation arrangements and the maritime areas to which they will apply. Both countries endeavoured to agree on the cooperation arrangements within 12 months from the execution of the Memorandum of Understanding. The signing of the MOU gives hope that the territorial dispute between the Philippines and China in the West Philippine Sea will be resolved and Forum can obtain the necessary authorization from the Philippine Government to perform its drilling programs within the territory covered by Service Contract No. 72.

On October 16, 2020, FEL was notified by the DOE that the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the Force Majeure to complete the Sub-Phase 2 work commitment.

However, on April 6, 2022, the DOE issued a directive to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJPPC).

On October 11, 2022, the DOE formally declared Force Majeure in SC72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension nullified all work done since the lifting of the Force Majeure in October 2020. Hence, SC72 was entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were suspended by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the Force Majeure was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to

SC72. Thus, once the Force Majeure is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub- Phase 2 of SC72 prior to October 14, 2020.

As of date, the declaration of Force Majeure in SC72 has not been lifted.

### Research and Development Activities

The Company does not allocate specific amounts or fixed percentages for research and development. The allocation for such activities may vary depending on the nature of the project.

Total cost incurred, including exploration and development works, during calendar years 2013 to 2022 amounted to P5.2 million broken down as follows:

Period	Revenue	Exploration Development and Environmental Cost	Percentage on Revenue
CY 2013	-	165,450	nil
CY 2014	-	2,456,558	nil
CY 2015	-	1,593,983	nil
CY 2016	-	976,428	nil
CY 2017	-	-	-
CY 2018	-	-	-
CY 2019	-	-	-
CY 2020	-	-	-
CY 2021	-	-	-
CY 2022	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>5,192,419</b>	

The above-mentioned expenses were incurred pursuant to the mandatory requirement to conduct annual assessment works, i.e. reconnaissance and semi-detailed exploration works such as geological mapping, sampling, and assaying of samples, etc., to prove mineable ore reserve, as provided under the Philippine Bill of 1902, Presidential Decree No. 463, the New Mining Code, and applicable laws, rules and regulations. On 8 July 2016, the DENR issued Memorandum Order 2016-01 ordering a moratorium on the approval of new mining projects which effectively halted all exploration works of the company. The said moratorium was lifted only on July 3, 2018. There were still no exploration works after the moratorium was lifted in 2018 because the company is still awaiting the official endorsement of the EPA by the Mines and Geosciences Bureau to its Regional Office in Agusan Del Norte.

### Compliance with Environmental Laws

The Company presently has no exploration and commercial operations. While an exploration permit application for a mining tenement in Agusan del Norte was filed with the Mines and Geosciences Bureau in 2013, no exploration permit has been granted to date. In the event that the Company will be granted the requisite permit to operate a mine or oil project, all necessary pollution control and environmental protection measures will be set in place.

### Risk Factors



The Company's profitability is dependent on the performance of its subsidiary ABSTC and affiliate Forum.

### **Financial Risk Management**

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors reviews and institutes policies for managing each of the risks.

#### Credit Risk

Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. The Company's credit risk arises principally from the Company's cash in banks and cash equivalents, trade receivables and refundable deposits.

Receivables which are neither past due nor impaired are of good quality. These are from clients that pay on time or even before maturity date.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

#### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will adversely affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to transaction and translation exposures resulting from currency exchange fluctuations. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the changes in current exchange rates.

## Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains healthy capital ratios in order to support its business.

The Company monitors capital on the basis of debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of accounts payable and accrued expenses, other current liabilities and due to related parties. Total equity comprises all components of equity.

### **(A) Description of Property**

Other than its shareholdings in ABSTC and in Forum (through Tidemark), the Company does not own any other significant property.

Information required by Part II (A) of Annex "C", as amended

### **A. Market Information**

#### **1. Principal Market – Philippine Stock Exchange, Inc.**

The Company's common shares are traded in the Philippine Stock Exchange. As of September 30, 2023, the closing price of the shares of the Company is P 5.70. The high and low sale prices of the shares for each quarter within the last three (3) years and subsequent interim period are:

<i>Year</i>	<i>Quarter Ended</i>	<i>High</i>	<i>Low</i>
2023	09.30.23- 3 <sup>rd</sup> Quarter	7.40	4.61
	06.30.23 – 2 <sup>nd</sup> Quarter	7.18	4.50
	03.31.23 --1 <sup>st</sup> Quarter	7.57	6.23
2022	12.31.22 -- 4 <sup>th</sup> Quarter	8.38	7.15
	09.30.22 – 3 <sup>rd</sup> Quarter	8.60	6.52
	06.30.22 –2 <sup>nd</sup> Quarter	8.15	5.50
	03.31.22 --1 <sup>st</sup> Quarter	6.72	5.52
2021	12.31.21 -- 4 <sup>th</sup> Quarter	7.00	5.11
	09.30.21 – 3 <sup>rd</sup> Quarter	8.90	5.89
	06.30.21 –2 <sup>nd</sup> Quarter	10.92	7.90
	03.31.21 --1 <sup>st</sup> Quarter	10.30	5.10
2020	12.31.20 -- 4 <sup>th</sup> Quarter	17.20	6.66
	09.30.20 – 3 <sup>rd</sup> Quarter	10.20	7.01
	06.30.20 – 2 <sup>nd</sup> Quarter	10.18	9.84
	03.31.20 – 1 <sup>st</sup> Quarter	10.86	10.50
2019	12.31.19 -- 4 <sup>th</sup> Quarter	10.96	9.84
	09.30.19 – 3 <sup>rd</sup> Quarter	11.80	11.06
	06.30.19 – 2 <sup>nd</sup> Quarter	12.80	12.38
	03.31.19 – 1 <sup>st</sup> Quarter	13.10	12.56

[Data taken from the Philippine Stock Exchange, Inc.([edge.pse.com.ph](http://edge.pse.com.ph))]

### **B. Holders**

**Approximate Number of Shareholders of Each Class of Common Security as of 30 September 2023:**

The Company has 4,180 stockholders as of 30 September 2023.

**The Top 20 Registered Stockholders of the Company as of 30 September 2023 are:**

		No. of Shares	%
1.	Boerstar Corporation	1,775,218,804	69.75%
2.	North Kitanglad Agricultural Co., Inc.	309,000,000	12.63%
3.	PCD Nominee Corporation	216,971,068	8.53%
4.	Strong Gain Enterprises Limited	119,500,000	4.70%
5.	Progressive Development Corporation	93,963,474	3.69%
6.	Power Merchant International Limited	26,000,000	1.02%
7.	Carroll, Charles F., Trustee Carroll Family Trust FBO Charles F. Carroll	593,200	0.02%
8.	Braasch, Herbert	84,884	0.00%
9.	Baron, Rose A. & William J. Baron, Jtwros	81,197	0.00%
10.	Araneta, Jorge L.	73,535	0.00%
11.	McLarney, Jane Mary & Timothy P. McLarney	70,875	0.00%
12.	Silbert, Solomon S. & Claire B. Silbert, Jten etc.	56,567	0.00%
13.	Cohen, Sy R. & Barbara Cohen, Jtwros	43,195	0.00%
14.	Steiner, Norma	38,656	0.00%
15.	Loo Ngo Kue	36,020	0.00%
16.	Pua, Luis	35,542	0.00%
17.	Cunningham, Edmund F. & Pauline F. Cunningham, Jtwros	33,275	0.00%
18.	Fores, Maria Lourdes A.	29,840	0.00%
19.	Roxas, Judy A.	29,840	0.00%
20.	Anulis, Evelyn	26,753	0.00%

Total issued and outstanding share) – 2,545,000,000

*NOTE: NKACI has 13,654,700 shares lodged with PCD Nominee Corporation. In all, NKACI owns 322,654,700 shares representing 12.63% of the total outstanding shares of the Company.*

**C. Dividends**

The Company has not declared any dividends during the last three (3) years.

The Company's wholly owned subsidiary, AB Stock Transfers Corporation, declared dividends last 20 December 2022 in the sum of Two Pesos (Php 2.00) per share for each and every share of common stock. The dividends were paid last 30 June 2023.

The Company's Amended By-Laws provides that its Board of Directors may declare dividends only from surplus profits arising from the business of the Company, in accordance with the preferences constituted in favor of preferred stock when and if such preferred stock be issued and outstanding. Restrictions under the Corporation Code of the Philippines also limit the Company's power to declare dividends.

Information Required by Part III, paragraph (A) and (B) of “Annex C”, as amended

## Management’s Discussion and Analysis

### Financial Condition – Consolidated

#### September 30, 2023 vs December 31, 2022

As of September 30, 2023, the Group’s consolidated assets amounted to ₱949.3 million as compared to ₱936.9 million as of December 31, 2022. On the other hand, the Group’s consolidated liabilities has minimal movement from December 31, 2022 to September 30, 2023.

Cash and cash equivalents totalling ₱43.6 million as of September 30, 2023 showed an increase of ₱7.9 million from ₱35.7 million as of December 31, 2022, is mainly due to partial collection of from the advances to stockholders and is partially offset by payments made for the operating expenses of the group.

Receivables decreased from ₱2.7 million as of December 31, 2022 to ₱2.6 million as of September 30, 2023, mainly due to management instruction to collect outstanding receivables.

Other current assets increased by ₱0.5 million primarily due to increase in input tax and prepayment of the PSE annual listing fee.

Investment in associate showed an increase of ₱14.2 million from ₱691 million as of December 31, 2022 to ₱705.2 million as of September 30, 2023. The increase pertains to foreign exchange differences on translation of the financial statements of Tidemark.

Property and equipment decreased by ₱11,388 due to depreciation expense for the nine months ended of September 30, 2023.

Stockholders’ Equity increased from ₱935.7 million at the end of 2022 to ₱948 million as of September 30, 2023 primarily due to foreign exchange difference on translation of the financial statements of Tidemark.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Increase/(Decrease) Amount
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	43,590,686	35,685,197	7,905,489
Receivables	2,583,975	2,724,824	(140,849)
Advances to Stockholders	184,865,252	194,865,252	(10,000,000)
Other current assets	11,492,989	11,008,727	484,262
<b>Total Current Assets</b>	<b>242,532,901</b>	<b>244,284,000</b>	<b>(1,751,099)</b>
<b>Noncurrent Assets</b>			
Investment in an associate	705,242,557	691,063,887	14,178,670
Property and equipment	1,266	12,653	(11,388)
Advances to mining right holders	1,525,000	1,525,000	-
<b>Total Noncurrent Assets</b>	<b>706,768,822</b>	<b>692,601,540</b>	<b>14,167,282</b>
	<b>949,301,723</b>	<b>936,885,540</b>	<b>12,416,183</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables and other current liabilities	1,271,940	1,170,941	100,999
Income Tax Payable	-	825	(825)
<b>Total Current Liabilities</b>	<b>1,271,940</b>	<b>1,171,766</b>	<b>100,174</b>
<b>Noncurrent Liabilities</b>			
Deferred Tax Liability	20,968	20,968	-
<b>Total Liabilities</b>	<b>1,292,908</b>	<b>1,192,734</b>	<b>100,174</b>
<b>Equity</b>			
Capital stock	1,354,023,160	1,354,023,160	-
Deficit	(635,689,133)	(633,789,103)	(1,900,030)
Cumulative translation adjustment	229,674,788	215,458,749	14,216,039
<b>Total Equity</b>	<b>948,008,815</b>	<b>935,692,806</b>	<b>12,316,009</b>
	<b>949,301,723</b>	<b>936,885,540</b>	<b>12,416,183</b>



#### December 31, 2022 vs December 31, 2021

As of December 31, 2022, the Company's consolidated assets amounted to ₱936.9 million as compared to ₱843.9 million as of December 31, 2021. On the other hand, the Company's liabilities as of December 31, 2022 slightly increased to ₱1.2 million from ₱1.1 million as of December 31, 2021.

Cash and cash equivalents amounting to ₱35.7 million as of December 31, 2022 showed a decrease of ₱58.2 million from ₱93.8 million as of December 31, 2021 mainly due to capital infusion to Tidemark.

Receivables increased from ₱1.7 million as of December 31, 2021 to ₱2.7 million as of December 31, 2022 is mainly due to AB Stock's receivable with DITO Telecommunity as its Receiving Agent for its Stock Rights Offering.

Investment in associate showed an increase of ₱150.1 million from ₱541 million as of December 31, 2021 to ₱691.1 million as of December 31, 2022 due to the additional capital infusion to Tidemark and foreign exchange differences on translation of the financial statements of Tidemark.

Property and equipment decreased by ₱15,181 due to the depreciation expense of the additional computer set for used in operations.

Stockholders' Equity increased from ₱843.9 million at the end of 2021 to ₱935.6 million as of December 31, 2022 primarily due to the increase in foreign exchange difference on translation of the financial statements of Tidemark.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As of December 31		Increase (Decrease)
	2022 (Audited)	2021 (Audited)	Amount
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	35,685,197	93,846,057	(58,160,860)
Receivables	2,724,824	1,745,021	979,803
Advances to Stockholders	194,865,252	194,865,252	-
Other current assets	11,008,727	10,839,256	169,472
<b>Total Current Assets</b>	<b>244,284,000</b>	<b>301,295,586</b>	<b>(57,011,585)</b>
<b>Noncurrent Assets</b>			
Investment in an associate	691,063,887	541,013,887	150,050,000
Property and equipment	12,654	27,836	(15,182)
Advances to mining right holders	1,525,000	1,525,000	-
<b>Total Noncurrent Assets</b>	<b>692,601,540</b>	<b>542,566,722</b>	<b>150,034,818</b>
	<b>936,885,541</b>	<b>843,862,308</b>	<b>93,023,233</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables and other current liabilities	1,170,941	1,087,791	83,150
Income Tax Payable	825	3,270	(2,445)
<b>Total Current Liabilities</b>	<b>1,171,766</b>	<b>1,091,061</b>	<b>80,705</b>
<b>Noncurrent Liabilities</b>			
Deferred Tax Liability	20,968	41,588	(20,620)
<b>Total Liabilities</b>	<b>1,192,734</b>	<b>1,132,649</b>	<b>60,085</b>
<b>Equity</b>			
Capital stock	1,354,023,160	1,354,023,160	-
Deficit	(633,789,102)	(634,816,028)	1,026,926
Cumulative translation adjustment	215,458,749	123,522,527	91,936,222
<b>Total Equity</b>	<b>935,692,807</b>	<b>842,729,659</b>	<b>92,963,148</b>
	<b>936,885,541</b>	<b>843,862,308</b>	<b>93,023,233</b>

#### December 31, 2021 vs December 31, 2020

As of December 31, 2021, the Company's consolidated assets amounted to ₱843.9 million as compared to ₱529.7 million as of December 31, 2020. On the other hand, the Company's liabilities as of December 31, 2021 decreased to ₱1.2 million from ₱8.9 million as of December 31, 2020.

Cash and cash equivalents totalling ₱93.8 million as of December 31, 2021 showed a increase of ₱79.4 million from ₱14.4 million as of December 31, 2020, mainly due to payment of North Kitanglad Agricultural Company for capital stock subscriptions amounting to ₱294 million which was offset by ₱194 million advances, settlement of USD150,000 loan from shareholders and capital infusion to Tidemark.

Receivables decreased from ₱2.1 million as of December 31, 2020 to ₱1.7 million as of December 31, 2021 on account of collection of outstanding receivables of the group.

Investment in associate showed an increase of ₱39.6 million from ₱501.4 million as of December 31, 2020 to ₱541 million as of December 31, 2021 due to the foreign exchange differences on translation of the financial statements of Tidemark and the share in net loss of operations of FEL.

Equity investment designated as fair value through other comprehensive income (FVOCI) is measured at nil as of December 31, 2021 due to deficit performance of the investee.

Property and equipment decreased by ₱19,995 due to depreciation of additional computer set for used in operations.

Payables and other current liabilities decreased by ₱7.8 million due to settlement of advances.

Stockholders' Equity increased from ₱521 million at the end of 2020 to ₱842.9 million as of December 31, 2021 primarily due to capital stock subscriptions and increase in foreign exchange difference on translation of the financial statements of Tidemark during the current year.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As of December 31		Increase (Decrease)
	2021 (Audited)	2020 (Audited)	Amount
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	93,846,057	14,364,676	79,481,381
Receivables	1,745,021	2,124,594	(379,573)
Advances to Stockholders	194,865,252	-	194,865,252
Other current assets	10,839,256	10,367,908	471,348
<b>Total Current Assets</b>	<b>301,295,586</b>	<b>26,857,178</b>	<b>274,438,408</b>
<b>Noncurrent Assets</b>			
Investment in an associate	541,013,887	501,431,573	39,582,313
Equity investment designated as fair value through other comprehensive income (FVOCI)	-	-	-
Property and equipment	27,836	47,833	(19,997)
Advances to mining right holders	1,525,000	1,525,000	-
<b>Total Noncurrent Assets</b>	<b>542,566,722</b>	<b>503,004,406</b>	<b>39,562,316</b>
	<b>843,862,308</b>	<b>529,861,584</b>	<b>314,000,724</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables and other current liabilities	1,091,061	8,861,864	(7,770,803)
<b>Equity</b>			
Capital stock	1,354,023,160	1,060,000,000	294,023,160
Deficit	(634,774,440)	(604,933,236)	(29,841,204)
Cumulative translation adjustment	123,522,527	65,932,956	57,589,571
<b>Total Equity</b>	<b>842,771,247</b>	<b>520,999,720</b>	<b>321,771,527</b>
	<b>843,862,308</b>	<b>529,861,584</b>	<b>314,000,724</b>

## Results of Operation

### Operational Results for the nine months period ended September 30, 2023 and 2022

Nine months ended September 30, 2023 operations resulted to ₱12.3 million total comprehensive gain compared to ₱147.4 million total comprehensive income in 2022 of the same period. The total increase of ₱133.7 million was brought about by the following:

- ₱133.1 million decrease in foreign exchange differences on translation of the financial statements of Tidemark.
- ₱0.8 million decrease in Service fees attributable to the professional fees as receiving agent billed to DITO for its Stock Rights Offering in 2022 and none in 2023.
- ₱0.9 million increase in interest income due to higher average cash and cash equivalents for the period ended September 30, 2023 as compared to same period in 2022.

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Nine Months Ended		Increase (Decrease)	
	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	Amount	%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>4,052,611</b>	<b>3,468,508</b>	<b>584,103</b>	<b>16.84%</b>
<b>OTHER INCOME (EXPENSES)</b>				
Service fees	966,680	1,750,860	(784,180)	-44.79%
Interest income	1,218,588	368,151	850,437	231.00%
Others	7,653	89,657	(82,004)	91.46%
	<b>2,192,921</b>	<b>2,208,668</b>	<b>(15,747)</b>	<b>-0.71%</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(1,859,690)</b>	<b>(1,259,840)</b>	<b>(599,850)</b>	<b>-47.61%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>40,340</b>	<b>51,185</b>	<b>(10,846)</b>	<b>-21.19%</b>
<b>NET INCOME/(LOSS)</b>	<b>(1,900,030)</b>	<b>(1,311,025)</b>	<b>(589,005)</b>	<b>-44.93%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	14,216,039	147,353,200	(133,137,161)	90.35%
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>12,316,009</b>	<b>146,042,175</b>	<b>(133,726,166)</b>	<b>91.57%</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>(0.0007)</b>	<b>(0.0005)</b>	<b>(0.0002)</b>	<b>-44.93%</b>



## Operational Results for the year ended December 31, 2022 and 2021

2022 operations resulted to ₱92.9 million total comprehensive income compared to ₱27.7 million total comprehensive loss in 2021. The total difference of ₱65.2 million was brought about by the following:

- +₱29.5 million; decrease in share in the net loss of operations of an associate (Tidemark),
- -₱0.5 million; increase in the interest income.
- -₱34.3 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31		Increase (Decrease)	
	2022 (Audited)	2021 (Audited)	Amount	%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>4,468,170</b>	<b>5,338,223</b>	<b>(870,053)</b>	<b>-16.30%</b>
<b>OTHER INCOME (EXPENSES)</b>				
Share in the net results of operations of an associate	2,861,936	(26,647,883)	29,509,819	-110.74%
Service fees	2,115,700	1,583,620	532,080	33.60%
Interest income	616,803	132,423	484,379	-365.78%
Others	86,538	494,975	(408,437)	82.52%
	<b>5,680,976</b>	<b>(24,436,864)</b>	<b>30,117,840</b>	<b>-123.25%</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>1,212,807</b>	<b>(29,775,087)</b>	<b>30,987,893</b>	<b>104.07%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>185,882</b>	<b>107,704</b>	<b>78,178</b>	<b>72.59%</b>
<b>NET INCOME/(LOSS)</b>	<b>1,026,926</b>	<b>(29,882,791)</b>	<b>30,909,717</b>	<b>103.44%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of an associate	91,936,222	57,589,571	34,346,651	-59.64%
<i>Item that will be reclassified subsequently to profit or loss -</i>				
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>92,963,148</b>	<b>27,706,780</b>	<b>65,256,368</b>	<b>-235.52%</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>0.0004</b>	<b>(0.0117)</b>	<b>0.0121</b>	<b>103.44%</b>

## Operational Results for the year ended December 31, 2021 and 2020

2021 operations resulted to ₱27.8 million total comprehensive income compared to ₱63.1 million total comprehensive loss in 2020. The total difference of ₱90.8 million was brought about by the following:

- +₱19.5 million; increase in share in the net loss of operations of an associate (Tidemark),
- -₱0.3 million; decrease in the interest income.
- -₱108.1 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).
- -₱2.2 million; fair value gain on the remeasurement of equity instrument designated as FVOCI.

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended			
	December 31, 2021	December 31, 2020	Increase (Decrease)	
	(Audited)	(Audited)	Amount	%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>5,328,228</b>	<b>5,076,924</b>	<b>251,304</b>	<b>4.95%</b>
<b>OTHER INCOME (EXPENSES)</b>				
Share in the net results of operations of an associate	(26,647,883)	(7,118,698)	(19,529,185)	274.34%
Service fees	1,583,620	1,454,020	129,600	8.91%
Interest income	132,423	428,882	(296,459)	69.12%
Interest Expense			-	0.00%
Others	494,975	(1,424)	496,399	34859.49%
	<b>(24,436,865)</b>	<b>(5,237,220)</b>	<b>(19,199,645)</b>	<b>366.60%</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(29,765,092)</b>	<b>(10,314,144)</b>	<b>(19,450,948)</b>	<b>-188.59%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>66,667</b>	<b>100,808</b>	<b>(34,141)</b>	<b>-33.87%</b>
<b>NET LOSS</b>	<b>(29,831,759)</b>	<b>(10,414,952)</b>	<b>(19,416,807)</b>	<b>-186.43%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of an associate	57,589,571	(50,491,466)	108,081,037	214.06%
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Fair value remeasurement on equity instrument designated as fair value through other comprehensive income	-	(2,152,285)	2,152,285	-100.00%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>27,757,812</b>	<b>(63,058,703)</b>	<b>90,816,515</b>	<b>144.02%</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>(0.0117)</b>	<b>(0.0041)</b>	<b>(0.0076)</b>	<b>-186.43%</b>

## Operational Results for the year ended December 31, 2021 and 2020

2021 operations resulted to ₱27.8 million total comprehensive income compared to ₱63.1 million total comprehensive loss in 2020. The total difference of ₱90.8 million was brought about by the following:

- +₱19.5 million; increase in share in the net loss of operations of an associate (Tidemark),
- -₱0.3 million; decrease in the interest income.
- -₱108.1 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).
- -₱2.2 million; fair value gain on the remeasurement of equity instrument designated as FVOCI.

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31		Increase (Decrease)	
	2021 (Audited)	2020 (Audited)	Amount	%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>5,328,228</b>	<b>5,076,924</b>	<b>251,304</b>	<b>4.95%</b>
<b>OTHER INCOME (EXPENSES)</b>				
Share in the net results of operations of an associate	(26,647,883)	(7,118,698)	(19,529,185)	274.34%
Service fees	1,583,620	1,454,020	129,600	8.91%
Interest income	132,423	428,882	(296,459)	69.12%
Others	494,975	(1,424)	496,399	34859.49%
	<b>(24,436,865)</b>	<b>(5,237,220)</b>	<b>(19,199,645)</b>	<b>366.60%</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(29,765,093)</b>	<b>(10,314,144)</b>	<b>(19,450,949)</b>	<b>-188.59%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>66,667</b>	<b>100,808</b>	<b>(34,141)</b>	<b>-33.87%</b>
<b>NET LOSS</b>	<b>(29,831,761)</b>	<b>(10,414,952)</b>	<b>(19,416,809)</b>	<b>-186.43%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of an associate	57,589,571	(50,491,466)	108,081,037	214.06%
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Fair value remeasurement on equity instrument designated as fair value through other comprehensive income	-	(2,152,285)	2,152,285	-100.00%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	<b>27,757,810</b>	<b>(63,058,703)</b>	<b>90,816,513</b>	<b>144.02%</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>(0.0117)</b>	<b>(0.0041)</b>	<b>(0.0076)</b>	<b>-186.43%</b>

## Key Performance Indicators

The Company and its subsidiaries key performance indicators and their manner of computation are as follows:

	Manner of Calculation	As of		
		September 30, 2023	December 31, 2022	December 31, 2021
CURRENT/LIQUIDITY RATIO		190.68	198.03:1	276.15
Current assets	Current assets divided by current liabilities	242,532,901	244,284,000	244,284,000
Current liabilities		1,271,940	1,171,766	1,171,766
SOLVENCY RATIO		(1.46):1	0.85:1	(26.37):1
Net Income/(Loss) after tax less depreciation and impairment losses	The sum of net loss after tax less depreciation and impairment losses divided by total liabilities	(1,900,030)	1,026,925	(1,311,025)
		11,388	7,592	19,995
Total liabilities	total liabilities	1,292,908	1,192,734	1,192,734
DEBT TO EQUITY RATIO		0.001:1	0.001:1	0.001:1
Total liabilities	Total liabilities divided by total equity	1,292,908	1,192,734	1,192,734
Total equity		948,008,815	935,692,806	935,692,806
ASSET TO EQUITY RATIO		1.00:1	1.00:1	1.00:1
Total assets	Total assets divided by total equity	949,301,723	936,885,540	936,885,540
Total equity		948,008,815	935,692,806	935,692,806
INTEREST RATE COVERAGE RATIO		-	-	-
Income/(Loss) before interest and	Income before taxes and interest divided by interest expense	(1,859,690)	1,212,807	(1,259,840)
Interest expense		-	-	
PROFITABILITY RATIO		(0.002):1	(0.001):1	(0.04):1
Net loss after tax	Net income/(loss) after tax divided by total equity	(1,900,030)	1,026,926	(1,311,025)
Total equity		948,008,815	935,692,806	935,692,806

### SEPTEMBER 30, 2023 versus DECEMBER 31, 2022

**Current/liquidity ratio** – The ratio moved from 198.03 to 199.61 due to lower receivable from stockholders resulting to higher Cash balance for the nine months ended September 2023 compared to year ending December 2022.

**Solvency ratio** –The ratio moved from 0.85 to (01.46). due to lower service income in the nine months ended September 2023.

**Debt-to-equity ratio** – is no significant movement for the debt-to-equity ratio.

**Asset-to-equity ratio** – There is no significant movement for the Asset-to-equity ratio.

**Profitability ratio** – The ratio moved from (0.001) to (0.002) due to higher net loss incurred in 2023.

## DECEMBER 31, 2022 versus DECEMBER 31, 2021

**Current/liquidity ratio** – The ratio decreased from 276.15 to 198.03 due to major decrease in Cash and Cash Equivalents by 61.97% and increase in current liabilities by 13.06%.

**Solvency ratio** – The ratio moved from (26.37) to 0.87 due to net income in 2022 as compared to 2021, from ₱29.8 million Net Loss in 2021 to ₱1 million Net Income in 2022. This is caused primarily by the share in the net income of operations of its associate, Tidemark.

**Debt-to-equity ratio** – There is no significant movement for the Debt-to-equity ratio.

**Asset-to-equity ratio** – There is no significant movement for the Asset-to-equity ratio.

**Profitability ratio** – The ratio moved from (0.04) to (0.001) due to resulting net income in 2022 from ₱29.8 million loss in 2021 to ₱1 million Net Income in 2022. This is caused primarily by the share in the net income of operations of its associate, Tidemark.

Causes for material changes from period to period of the financial statements covering the past two years, with horizontal and vertical analyses of such changes, are as follows:

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	VERTICAL ANALYSIS			HORIZONTAL ANALYSIS		
	September 2023	2022	2021	September 2023	2022	2021
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	4.6%	3.8%	11.1%	22.2%	-62.0%	553.3%
Receivables	0.3%	0.3%	0.2%	-5.2%	56.1%	-17.9%
Advances to Stockholders	19.5%	20.8%	23.1%	-5.1%	0.0%	0.0%
Other current assets	1.2%	1.2%	1.3%	4.4%	1.6%	4.5%
<b>Total Current Assets</b>	<b>25.5%</b>	<b>26.1%</b>	<b>35.7%</b>	<b>-0.7%</b>	<b>-18.9%</b>	<b>540.0%</b>
<b>Noncurrent Assets</b>						
Investment in an associate	74.3%	73.8%	64.1%	2.1%	27.7%	7.9%
Equity investment designated as fair value through other comprehensive income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property and equipment	0.0%	0.0%	0.0%	-90.0%	-54.5%	-41.8%
Advances to mining right holders	0.2%	0.2%	0.2%	0.0%	0.0%	0.0%
<b>Total Noncurrent Assets</b>	<b>74.5%</b>	<b>73.9%</b>	<b>64.3%</b>	<b>2.0%</b>	<b>27.7%</b>	<b>-6.4%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.3%</b>	<b>11.0%</b>	<b>-9.4%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Payables and other current liabilities	0.1%	0.1%	0.1%	8.4%	9.3%	-87.7%
<b>Equity</b>						
Capital stock	142.6%	144.5%	160.5%	0.0%	0.0%	27.7%
Deficit	-67.0%	-67.6%	-75.2%	0.3%	-0.2%	4.9%
Cumulative translation adjustment	24.2%	23.0%	14.6%	6.6%	74.4%	87.3%
<b>Total Equity</b>	<b>99.9%</b>	<b>99.9%</b>	<b>99.9%</b>	<b>1.3%</b>	<b>11.0%</b>	<b>61.8%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.3%</b>	<b>11.0%</b>	<b>59.3%</b>



## **SEPTEMBER 2023**

**VERTICAL ANALYSIS** – The Group's assets is mainly composed of its investment in an associate. The Group's cash and cash equivalents is substantial enough to cover its payables and other current liabilities. However, the Group's performance is at deficit.

### **HORIZONTAL ANALYSIS**

**Cash and cash equivalents (4.6%)** – due to partial collection of advances from stockholders and is offset partially by payments to suppliers in the ordinary course of business.

**Receivables (0.3%)** – due to collection effort of the group to collect outstanding receivables.

**Other current assets (1.2%)** – due to increase in input tax and PSE listing fee.

**Investment in Associate (74.3%)** – due to the decline of foreign exchange rate during the period.

**Property and equipment (0%)** – due to depreciation expense for the period

**Cumulative translation adjustment (24.2%)** – due to decrease in the foreign exchange differences on translation of the financial statements of Tidemark.

## **2022**

**VERTICAL ANALYSIS** – The Group's assets is mainly composed of its investment in an associate. The Group's cash and cash equivalents is substantial enough to cover its payables and other current liabilities. However, the Group's performance is at deficit

### **HORIZONTAL ANALYSIS**

**Cash and cash equivalents (-62%)** – due to remittance to FEL for its share in the SC 72 Pre-drilling works.

**Receivables (56.1%)** – due to AB Stock as receiving agent of DITO for its Stock Rights Offering.

**Other current assets (1.6%)** – due to increase in input tax and PSE listing fee.

**Investment in Associate (27.7%)** – due to additional Investment to FEL for its share in the SC 72 Pre-drilling works.

**Property and equipment (-54.5%)** – due to depreciation expense for the period

**Cumulative translation adjustment (74.4%)** – due to increase in the foreign exchange differences on translation of the financial statements of Tidemark.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	VERTICAL ANALYSIS			HORIZONTAL ANALYSIS			
	September 2023	2022	2021	September 2023	2022	2021	2020
GENERAL AND ADMINISTRATIVE EXPENSES	32.8%	4.8%	19.3%	-9.3%	-16.3%	-81.0%	-6.2%
OTHER INCOME (EXPENSES)							
Share in the net results of operations of an associate	0.0%	3.1%	-96.2%	-100.0%	-110.7%	-100.0%	-84.6%
Service fees	7.8%	2.3%	5.7%	-54.3%	33.6%	-74.8%	-1.3%
Interest income	9.9%	0.7%	0.5%	97.6%	365.8%	-92.4%	-58.2%
Others	0.1%	0.1%	1.8%	-91.2%	-82.5%	-119.4%	-113.3%
	17.7%	6.1%	-88.2%	-61.4%	-123.2%	-107.6%	-88.0%
LOSS BEFORE INCOME TAX	-15.1%	1.3%	-107.5%	-253.3%	-104.1%	-94.5%	-79.1%
PROVISION FOR INCOME TAX	0.0%	0.2%	0.4%	0.0%	0.0%	-100.0%	-32.5%
NET LOSS	-15.1%	1.1%	-107.9%	-281.1%	-103.4%	-94.6%	-78.9%
OTHER COMPREHENSIVE INCOME (LOSS)							
<i>Item that will be reclassified subsequently to profit or loss -</i>							
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	115.1%	98.9%	106.9%	-84.5%	59.6%	-117.4%	34.3%
TOTAL COMPREHENSIVE INCOME (LOSS)	100.0%	100.0%	100.0%	-86.7%	235.5%	-113.0%	-27.5%

## **SEPTEMBER 2023**

**VERTICAL ANALYSIS** – the Group's statements of comprehensive income is mainly consist of the foreign exchange differences on translation of the financial statements of Tidemark.

## **2022**

**VERTICAL ANALYSIS** – the Group's statements of comprehensive income is mainly consist of the foreign exchange differences on translation of the financial statements of Tidemark and the share in net results of operation of FEL.

## **HORIZONTAL ANALYSIS**

**Share in the net results of operations of an associate (-100%)** - due to higher share in the net results of operation of FEL in 2022.

**Interest income (97.6%)** - due to decrease in average cash and cash equivalents in 2022.

**Foreign exchange differences on translation of the financial statements of Tidemark (59.6%)** – due to higher foreign exchange rate in 2023 compared to 2022.

**Fair value remeasurement on equity instrument designated as fair value through other comprehensive income (-84.5%)** – measured at nil as of December 31, 2022 due to deficit performance of the investee.

**Events that will Trigger Direct or Contingent Financial Obligation that is Material to the Company, including any Default or Acceleration of an Obligation**

There are no events that will trigger direct or contingent financial obligation that is material to the Company.

**Material Off-Balance Sheet Transactions, Arrangements, Obligations (Including Contingent Obligations), and Other Relationships of the Company with Unconsolidated Entities or Other Persons Created During the Reporting Period**

There are no material off-balance sheet transactions, arrangements, or obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The general purposes of the capital expenditures are to explore and locate additional gold ore reserve of a better grade, conduct pilot test, secure all the Company's assets, and keep the mineral rights in good standing.

The known trends, events or uncertainties that may have a material impact on sales are the price of gold in the world market, the peso-dollar exchange rate, NGOs' anti-mining position and changes in the Department of Environment and Natural Resources' rules and regulations at midstream.

The significant elements of income or loss from continuing operations are the ounces of gold produced and the cost to produce such gold.

## Plan of Operations

The Company is still continuing its efforts to secure government approval for its application for Exploration Permit over an area of 3,375 Hectares in CADT134, Agusan Del Norte. While in the process, it will continue to conduct series of field inspection to understand the mineralization occurrence in preparation for more detailed exploration activities. Concurrent to the field activities in CADT134, exploration works continues in Mt. Daraga (587 Hectares), Mendez (486 Hectares) and Aboloc (567 Hectares) areas also in Agusan Del Norte, all under various Memoranda of Agreement. "Sweet" areas (High Grade areas for Gold mineralization) within Mt. Daraga and Mendez have been identified for more detailed subsurface activities. From November 2013 to 31 December 2022, the mining exploration cost of the Company is Php 5,192,419.00.

Plans involving oil and gas exploration have been shelved in relation the uncertainty in supply and demand situation. SC-72 is still kept on hold depending on the outcome of Philippine Government initiatives involving West Philippine Sea. The Philippine Department of Energy has granted a force majeure on Service Contract 72 [SC 72] because this contract area falls within the territorial disputed area of the West Philippine Sea, which is the subject of a United Nations arbitration process between the Republic of the Philippines and the People's Republic of China.

The Company will continue to fund its operations in the next year or two depending on the activities that will materialize using its cash and its money market investments.

The vision of the Company remains and that is to have a substantial involvement in the exploration and judicious development of various natural resources that will contribute to the economic development of the Philippines. The Company's mission to be the leader in chosen fields by creating value through change, utilizing the group's knowledge capital and adopting leading technologies, to enhance shareholders' value and profit through growth in earnings and in intrinsic worth, to be committed to a culture of excellence, loyalty and pride, and to be a socially responsible and environmentally conscious corporate citizen, adhering to the highest ethical standards and respecting the communities to which it belongs remains.

Currently, the Company has no plans of increasing its number of employees during the next twelve (12) months, however, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees.

## C. OTHER MATTERS

### Item 10. Action with Respect to Reports

- (b) During the last Annual Stockholders' Meeting held on May 26, 2022, the Chairman reported the results of operations of the Company.

#### *Voting and vote tabulation procedures used in the previous meeting.*

Items that required the vote of stockholders were presented for approval of the stockholders at the previous meeting. The vote required for acts requiring stockholders approval is at least a majority of the outstanding capital stock. Voting was validated by the Corporate Secretary.

For the election of Directors, each stockholder was entitled to one (1) vote per share multiplied by the number of board seats. Cumulative voting was allowed for election of members of the Board of Directors. Each stockholder the stockholders may vote such number of shares for as many persons as

there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the number of directors to be elected.

The following matters were likewise presented and approved by the stockholders during the said meeting:

1. Minutes of the Previous Meeting held on 08 June 2021
2. Management Report and the Audited Financial Statements of the Corporation as of 31 December 2021.
3. Acts and proceedings of the Board of Directors, Executive Committee, and corporate officers from the previous annual meeting on 08 June 2021.
4. The stockholders approved the re-appointment of Reyes Tacandong & Co., as the external auditor of the Corporation for the year ending 31 December 2022.
5. Annual Report of Management and Approval of the Audited Financial Statements
6. Ratification of Acts of the Board of Directors and Management since the Last Annual Stockholders' Meeting
7. Election of Directors
8. Appointment of External Auditor

The voting results of each agenda item, attendance of the directors, officers, and stockholders are duly reflected in the Minutes of the previous Annual Stockholders' Meeting attached as **Annex "D"** and **"D-1"** of this Information Statement.

There are no other items submitted for approval or consideration other than those required in the ordinary course of business that requires approval or presentation to the shareholders of the Company.

Prior to adjournment, the Chairman opened the floor for comments and questions by the stockholders. None of the stockholders sent in comments nor asked any questions.

- (c) For the Annual Stockholders' Meeting on December , 2023, the Chairman and/or the President will report on the performance of the Company in the year 2022.

#### **Item 11. Voting Procedures**

The vote required for acts requiring stockholders approval is either a majority or two-thirds of the outstanding capital stock. Since Boerstar Corporation owns 69.75% of the outstanding shares of the Company, matters for decision, if any, will most probably be decided by the major stockholder.

In the election of directors, nominees with the greatest number of votes will be elected directors. For the other proposals or matters submitted to a vote, a vote of the majority of the shareholders present or represented by proxy at the meeting is necessary for approval of such proposal.

Every stockholder is entitled to one vote.

The method of counting the votes of the shareholders shall be in accordance with the general provisions of the Revised Corporation Code of the Philippines. Method of voting is outlined in the procedures



attached to this Information Statement. Counting of votes shall be supervised by the Corporate Secretary and/or Assistant Corporate Secretary.

A COPY OF THE AUDITED FINANCIAL STATEMENTS (AFS) WITH MANAGEMENT DISCUSSION & ANALYSIS (SEC FORM 17-A) AS OF DECEMBER 31, 2022 IS ATTACHED TO THIS INFORMATION STATEMENT.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO:

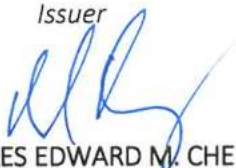
ATTY. CHARLES EDWARD M. CHENG  
CORPORATE SECRETARY, ATOK-BIG WEDGE CO., INC.  
5<sup>TH</sup> FLOOR, THE CITY CLUB AT ALPHALAND MAKATI PLACE  
7232 AYALA AVENUE CORNER MALUGAY STREET, BEL-AIR  
1209 MAKATI CITY

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on

\_\_\_\_\_.

ATOK-BIG WEDGE CO., INC.

*Issuer*



By: CHARLES EDWARD M. CHENG  
*Corporate Secretary*

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	43,590,686	35,685,197
Receivables	2,583,975	2,724,824
Advances to Stockholders	184,865,252	194,865,252
Other current assets	11,492,989	11,008,727
<b>Total Current Assets</b>	<b>242,532,901</b>	<b>244,284,000</b>
<b>Noncurrent Assets</b>		
Investment in an associate	705,242,557	691,063,887
Property and equipment	1,266	12,653
Advances to mining right holders	1,525,000	1,525,000
<b>Total Noncurrent Assets</b>	<b>706,768,822</b>	<b>692,601,540</b>
	<b>949,301,723</b>	<b>936,885,540</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payables and other current liabilities	1,271,940	1,170,941
Income Tax Payable	-	825
<b>Total Current Liabilities</b>	<b>1,271,940</b>	<b>1,171,766</b>
<b>Noncurrent Liabilities</b>		
Deferred Tax Liability	20,968	20,968
<b>Total Liabilities</b>	<b>1,292,908</b>	<b>1,192,734</b>
<b>Equity</b>		
Capital stock	1,354,023,160	1,354,023,160
Deficit	(635,689,133)	(633,789,103)
Cumulative translation adjustment	229,674,788	215,458,749
<b>Total Equity</b>	<b>948,008,815</b>	<b>935,692,806</b>
	<b>949,301,723</b>	<b>936,885,540</b>

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>1,200,133</b>	<b>889,574</b>	<b>4,052,611</b>	<b>3,468,508</b>
<b>OTHER INCOME (EXPENSES)</b>				
Service fees	232,480	366,860	966,680	1,750,860
Interest income	491,200	138,638	1,218,588	368,151
Others	979	3,919	7,653	89,657
	<b>724,659</b>	<b>509,417</b>	<b>2,192,921</b>	<b>2,208,668</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(475,474)</b>	<b>(380,157)</b>	<b>(1,859,690)</b>	<b>(1,259,840)</b>
<b>PROVISION FOR INCOME TAX</b>	<b>40,340</b>	<b>-</b>	<b>40,340</b>	<b>51,185</b>
<b>NET INCOME/(LOSS)</b>	<b>(515,814)</b>	<b>(380,157)</b>	<b>(1,900,030)</b>	<b>(1,311,025)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	23,837,871	70,556,603	14,216,039	147,353,200
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>23,322,057</b>	<b>70,176,446</b>	<b>12,316,009</b>	<b>146,042,175</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	<b>(0.0002)</b>	<b>(0.0001)</b>	<b>(0.0007)</b>	<b>(0.0005)</b>

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
<b>CAPITAL STOCK - 1 par value</b>	<b>1,354,023,160</b>	<b>1,354,023,160</b>
<b>DEFICIT</b>		
Balance at beginning of year	(633,789,103)	(634,816,032)
Net loss	(1,900,030)	(1,311,025)
Balance at end of year	(635,689,133)	(636,127,057)
<b>ACCUMULATED OCI</b>		
<b>CUMULATIVE TRANSLATION ADJUSTMENT</b>		
Balance at beginning of year	217,458,699	125,522,477
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	14,216,039	147,353,200
Balance at end of year	231,674,738	272,875,677
<b>Cumulative Valuation Gain on Equity Investment Designated at FVOCI</b>		
Balance at beginning of year	(1,999,950)	(1,999,950)
Unrealized gain on valuation of equity investment designated at FVOCI	-	-
Balance at end of year	(1,999,950)	(1,999,950)
	<b>229,674,788</b>	<b>270,875,727</b>
	<b>948,008,815</b>	<b>988,771,830</b>



**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	(1,859,690)	(1,311,025)
Adjustments for:		
Interest income	(1,218,588)	368,151
Depreciation and amortization	7,592	11,388
Operating income (loss) before working capital changes	(3,070,686)	(931,486)
Decrease (increase) in:		
Receivables	10,140,849	(870,819)
Other current assets	(484,262)	(456,875)
Increase (decrease) in:		
Payables and other current liabilities	100,999	151,678
Net cash generated from (used for) operations	6,686,900	(2,107,502)
Income tax paid	-	-
Interest received	1,218,588	(368,151)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>7,905,489</b>	<b>(2,475,653)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investment to an associate	-	(55,301,641)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,905,489</b>	<b>(57,777,295)</b>
<b>EFFECT OF UNREALIZED FOREIGN EXCHANGE GAIN</b>		
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>35,685,197</b>	<b>93,846,057</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>43,590,686</b>	<b>36,068,762</b>

## Schedules

## 1. Cash and Cash Equivalents

This account consists of:

	September 30, 2023	December 31, 2022
Cash on hand and in banks	<b>₱43,590,686</b>	₱35,407,826
Cash equivalents	-	-
	<b>₱43,590,686</b>	₱35,407,826

Cash in banks earn interest at the prevailing bank deposit rates. Cash Equivalents are made for varying periods of up to three months and earn interest at the respective short-term placement rates.

## 2. Receivables

This account consists of:

	September 30, 2023	December 31, 2022
Receivable from:		
Related parties	<b>₱616,316</b>	₱616,316
Third party	<b>191,660</b>	191,660
Accounts Receivable	<b>1,025,980</b>	1,163,823
Advances to officers and employees	<b>781,872</b>	784,878
Others	<b>9,697</b>	9,697
	<b>2,625,525</b>	2,766,374
Less allowance for impairment losses	<b>(41,550)</b>	(41,550)
	<b>₱2,583,975</b>	₱2,724,824

Receivable from related parties are noninterest-bearing, due and demandable and settlement occurs in cash.

Accounts receivables are noninterest-bearing and normally settled in cash within 30 days from date of billing.

Advances to officers and employees are unsecured, noninterest-bearing and subject to liquidation.

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### 3. Other Current Assets

This account consists of:

	September 30, 2023	December 31, 2022
Input VAT	₱9,247,484	₱9,057,203
Rental and security deposits	1,382,572	1,382,572
Prepayments	235,853	105,396
CWT	583,513	454,520
Advances to Supplier	36,330	-
Others	7,237	9,036
	<b>₱11,720,181</b>	<b>₱11,008,727</b>

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### 4. Investment in an associate

Investment in an associate pertains to Tidemark's 20% ownership of Forum.

Movements of this investment are as follows:

	September 30, 2023	December 31, 2022
<b>Cost</b>		
Balance at beginning of year	₱957,218,334	₱901,966,492
Additional investment	-	55,251,843
Balance at end of year	<b>957,218,334</b>	<b>957,218,335</b>
<b>Accumulated Share in Net Results of Operation</b>		
Balance at beginning of year	(483,613,146)	(486,475,082)
Share in net results of operations	-	2,861,936
Balance at end of year	<b>(483,613,146)</b>	<b>(483,613,146)</b>
<b>Cumulative Translation Adjustment</b>		
Balance at beginning of year	217,458,699	125,522,477
Foreign exchange differences	14,178,670	91,936,222
Balance at end of year	<b>231,637,369</b>	<b>217,458,699</b>
<b>Carrying Amount</b>	<b>₱705,242,557</b>	<b>₱691,063,887</b>

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### 5. Equity Investment Designated at FVOCI

This account pertains to the Parent Company's investment in unquoted shares of stock with an acquisition cost amounting of ₱2.0 million.

As at September 30, 2022 and December 31, 2021, the carrying amount of the investment is nil.

Fair value bases for the shares (i.e., quoted market prices) are neither readily available nor is there an alternative basis of deriving a reliable valuation as at reporting date.

## 6. Property and Equipment

Movements of this account are as follows:

	September 30, 2023					
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixture	Total
<b>Cost</b>						
Balances at beginning and end of year	₱56,235	₱4,422,518	₱1,665,548	₱1,316,283	₱1,374,483	₱8,835,067
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	56,235	4,422,518	1,665,548	1,303,629	1,374,483	8,822,413
Depreciation and amortization	-	-	-	11,388	-	11,388
Balance at end of year	52,625	4,422,518	1,665,548	1,307,426	1,374,483	8,833,800
<b>Carrying Amount</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,265</b>	<b>₱-</b>	<b>₱1,265</b>

	December 31, 2022					
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
<b>Cost</b>						
Balances at beginning of year	₱56,235	₱4,422,518	₱1,665,548	₱1,316,283	₱1,374,483	₱8,835,066
Addition	-	-	-	-	-	-
Balances at end of year	56,235	4,422,518	1,665,548	1,316,283	1,374,483	8,835,065
<b>Accumulated Depreciation and Amortization</b>						
Balance at beginning of year	51,422	4,422,518	1,665,548	1,288,445	1,374,483	8,787,232
Depreciation and amortization	4,813	-	-	15,182	-	15,182
Balance at end of year	56,235	4,422,518	1,665,548	1,303,629	1,374,483	8,807,229
<b>Carrying Amount</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱12,654</b>	<b>₱-</b>	<b>₱12,654</b>

## 7. Payables and Other Current Liabilities

This account consists of:

	September 30, 2023	December 31, 2022
Advances from officers and employees	₱368,924	₱368,924
Accruals:		
Professional fees	410,500	330,845
Salaries and other benefits	47,113	47,113
Utilities and other office expenses	55,928	63,841
Payable to related companies	39,820	41,510
Others	349,655	319,533
	<b>₱979,096</b>	<b>₱1,171,766</b>

Payables to related parties are non-interest bearing, due and demandable and payable in cash.

Accrued expenses and other payables are settled throughout the year.

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#### 8. General and Administrative Expenses

This account consists of:

	September 30, 2023	September 30, 2022
Professional fees	<b>₱1,232,500</b>	₱655,350
Salaries and wages	<b>984,690</b>	1,024,522
PSE listing fee	<b>535,174</b>	432,861
Rent	<b>230,477</b>	254,951
Utilities, dues and subscriptions	<b>126,226</b>	70,058
Medical and hospitalization	<b>92,523</b>	-
Transportation and travel	<b>60,085</b>	23,765
Taxes and licenses	<b>38,634</b>	38,541
Communications	<b>29,247</b>	22,350
Representation	<b>18,884</b>	45,463
Depreciation and amortization	<b>11,388</b>	11,388
Others	<b>692,783</b>	889,259
	<b>₱4,052,611</b>	₱3,468,508

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**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  

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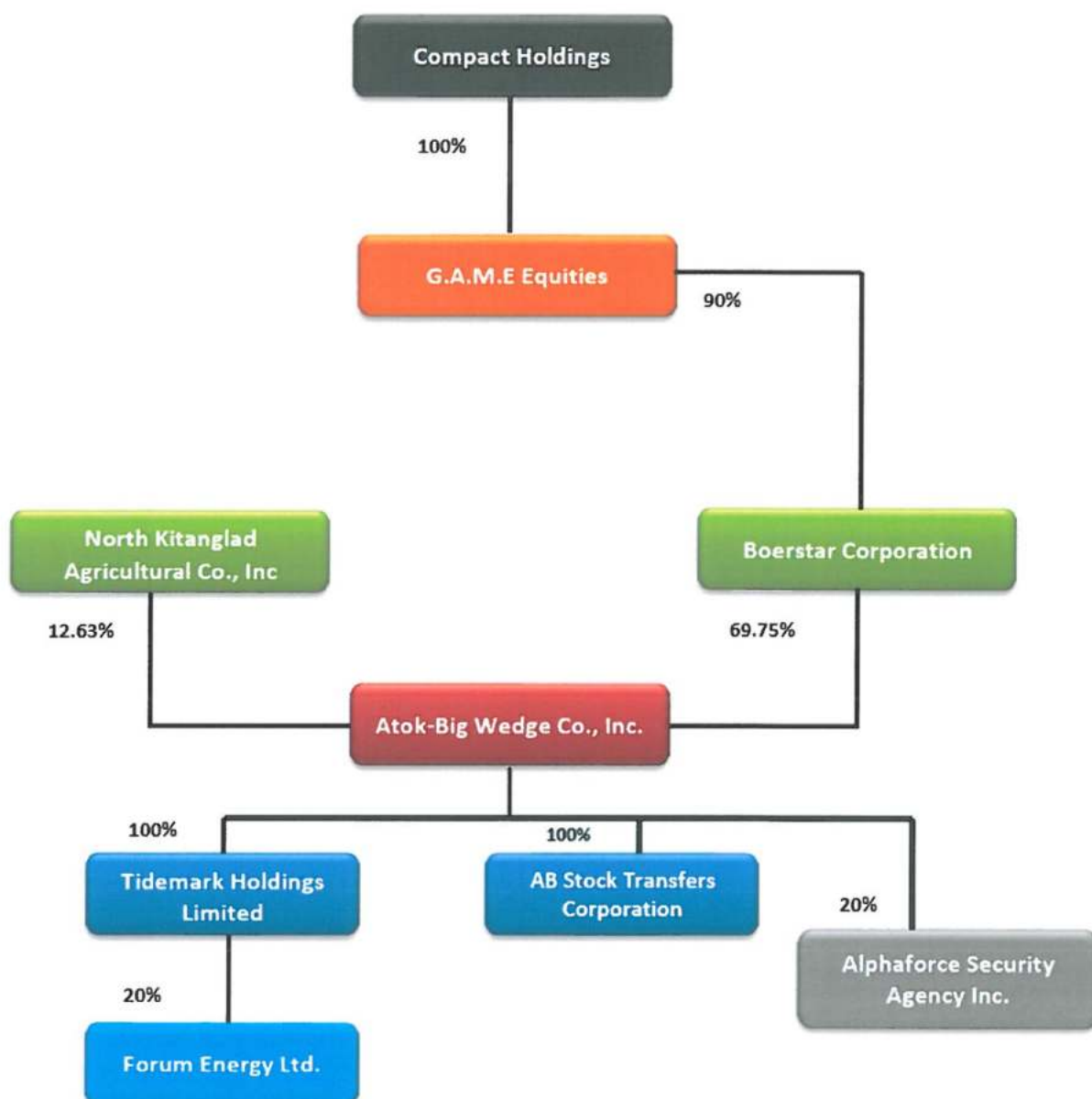
**SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS**  
**AVAILABLE FOR DIVIDEND DECLARATION**  
**SEPTEMBER 30, 2023**

Deficit as shown in the separate financial statements, at beginning of period	(P376,881,313)
Adjustment for:	
Impairment loss on investment in a subsidiary	223,495,475
Deficit, as adjusted, at beginning of period	(153,385,838)
Net loss closed to deficit	(79,050)
Deficit, as adjusted, at end of period	(153,464,888)

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

MAP OF GROUP STRUCTURE

SEPTEMBER 30, 2023



# **ATOK-BIG WEDGE CO., INC.**

## **MANAGEMENT REPORT**

for the  
2023 Annual Meeting of Stockholders  
Pursuant to SRC Rule 20 (4) (A)

### **A. AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED DECEMBER 31, 2022**

Please see the attached Audited Financial Statements for the year ended December 31, 2022.

### **B. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

There are no changes in and disagreements with the accountants on accounting and financial disclosures.

### **C. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

Atok-Big Wedge Co. Inc. (the "Company"), formerly Atok-Big Wedge Mining Co., Inc., was incorporated and registered with the Securities and Exchange Commission on September 4, 1931. Its corporate life was extended on September 25, 1981 for another fifty (50) years to expire on September 25, 2031. It is listed in the Philippine Stock Exchange (the "PSE").

#### **1. Plan of Operation for the Next Twelve (12) Months**

The Company is continuing its efforts to secure government approval for its application for Exploration Permit over an area of 3,375 Hectares in CADT134, Agusan Del Norte. While in the process, it will continue to conduct series of field inspection to understand the mineralization occurrence in preparation for more detailed exploration activities. Concurrent to the field activities in CADT134, exploration works continues in Mt. Daraga (587 Hectares), Mendez (486 Hectares) and Aboloc (567 Hectares) areas also in Agusan Del Norte, all under various Memoranda of Agreement. "Sweet" areas (High Grade areas for Gold mineralization) within Mt. Daraga and Mendez have been identified for more detailed subsurface activities.

Plans involving oil and gas exploration have been shelved in relation to the uncertainty in supply and demand situation. Service Contract 72 [SC 72] is still kept on hold depending on the outcome of Philippine Government initiatives involving West Philippine Sea. The Philippine Department of Energy has granted a force majeure on SC 72 because this contract area falls within the territorial disputed area of the West Philippine Sea, which is the subject of a United Nations arbitration process between the Republic of the Philippines and the People's Republic of China.

The Company will continue to fund its operations in the next year or two depending on the activities that will materialize using its cash and its money market investments.

The vision of the Company remains and that is to have a substantial involvement in the exploration and judicious development of various natural resources that will contribute to the economic development of the Philippines. The Company's mission to be the leader in chosen fields by creating value through change, utilizing the group's knowledge capital and adopting leading technologies, to enhance shareholders' value and profit through growth in earnings and in intrinsic worth, to be committed to a culture of excellence, loyalty and pride, and to be a socially responsible and environmentally conscious corporate citizen, adhering to the highest ethical standards and respecting the communities to which it belongs remains.

Currently, the Company has no plans of increasing its number of employees during the next twelve (12) months, however, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees.

## **2. Financial Condition-Consolidated**

The unaudited financial statements as of September 30, 2023 and audited financial statements as of December 31, 2022 and 2021, management's discussion and analysis, and other data related to the Company's financial information are stated on pages 27 to 41 and Exhibits 1 to 5 of the Information Statement.

### **External Audit Fees**

#### **a. Audit and Audit Related Fees**

The Company's External Auditor for 2022 and 2021 is Reyes Tacandong & Co.

The aggregate External Audit Fees (MC No. 14, Series of 2004) in connection with the audit of the annual financial statements and services for the last three (3) years were as follows:

<u>Year</u>	<u>Amount</u>
2019	200,000
2020	300,000
2021	300,000
2022	300,000

The above-mentioned audit fees are inclusive of: (a) other assurance and related services by the External Auditor that are reasonably related to the performance of the audit; and (b) review of the Company's financial statements, exclusive of tax consultancy fees and/or representation for legal matters.

The Audit Committee makes recommendations to the Board of Directors concerning the external auditors and pre-approves audit plans, scope, and frequency before the conduct of the external audit.

The Company's Auditors conducted the audit in accordance with auditing standards generally accepted in the Philippines with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, conforms to accounting principles generally accepted in the Philippines. They performed tests of the accounting records and such other procedures, as they considered necessary in the circumstances to provide a reasonable basis for an opinion on the financial

statements. They also assessed the accounting principles used and significant estimates made by management and evaluated overall financial statements presentation.

The auditors also considered the Company's internal controls in order to determine the nature, timing and extent of their audit procedures for the purpose of expressing an opinion on the financial statements. The auditors did not bill separately for this scope of work.

There were no services provided by the external auditors other than the services reported in the foregoing.

**b. Tax Fees**

There are no fees billed in each of the last three (3) years for professional services rendered by the External Auditor for tax accounting, compliance, advice, planning, and any other form of tax services.

**c. All Other Fees**

There are no fees billed in each of the last three (3) years for services provided by the External Auditor, other than the services under items (a) and (b) above.

**d. Audit Committee's Approval of Policies and Procedures**

The 2022 audit of the Company is in compliance with SRC Rule 68(3)(b)(IV) that provides that the External Auditor be rotated every five (5) years or earlier or the engagement partner should be changed. The engagement partner is Mr. Emmanuel V. Clarino.

During Audit Committee and/or Company meetings that would have an agenda that would affect the financial statements of the Company, a representative of the External Auditor is expected to be present to discuss issues and be available to respond to appropriate questions. The External Auditor is given the opportunity to make a statement if necessary pertinent to matters that may affect the examination of the books of the Company.

**Financial Risk Management**

The Group and its subsidiary and affiliate have exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address

the results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors reviews and institutes policies for managing each of the risks.

#### Credit Risk

Credit risk represents the risk of loss the Group would incur if credit customers and counterparties fail to perform their contractual obligations. The Group's credit risk arises principally from the Group's cash in banks and cash equivalents, trade receivables and refundable deposits.

Receivables which are neither past due nor impaired are of good quality. These are from clients that pay on time or even before maturity date.

#### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

#### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will adversely affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to transaction and translation exposures resulting from currency exchange fluctuations. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates.

#### Capital Management

The primary objective of the Company's capital management is to ensure its ability as a going concern and that it maintains healthy capital ratios in order to support its business.

The Company monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt is equivalent to accounts payable and accrued expenses, other current liabilities and due to related parties. Total equity comprises all components of equity.

### ***D. GENERAL NATURE AND SCOPE OF BUSINESS***



Atok-Big Wedge Co. Inc. (the "Company"), formerly Atok-Big Wedge Mining Co., Inc., was incorporated and registered with the Securities and Exchange Commission (the "SEC") on 4 September 1931. Its corporate life was extended on 25 September 1981 for another fifty (50) years to expire on 25 September 2031. The common shares of the Company are listed in the Philippine Stock Exchange (the "PSE"; ticker symbol: AB).

Since its incorporation, the Company engaged in mining as its primary purpose, producing gold as its major product and silver as a by-product. Its production was all sold to the Central Bank of the Philippines at a price subsidized by the Philippine Government, and later on at the prevailing world market price. Gold bullions are used by the Philippine Government as one of the components in the monetary reserve.

Although the Company changed its primary purpose in 1996 from mining to general investment, it reverted to its original purpose of engaging in exploration and development of mining, oil, gas, and other natural resources when it amended its Articles of Incorporation, which was approved by the SEC on 24 May 2010.

The Company has two (2) wholly-owned subsidiaries, AB Stock and Transfers Corporation (ABSTC) and Tidemark Holdings Ltd.

ABSTC was incorporated on 24 June 2010, with the purpose of establishing, operating and acting as a transfer agent and/or registrar of corporations.

On the other hand, Tidemark is a company registered and domiciled in Hongkong SAR, which the Company bought on 3 October 2011. Tidemark used to own 9,646,757 ordinary shares of Forum Energy plc, now Forum Energy Limited ("Forum"), a company registered and domiciled in the United Kingdom representing, approximately 27.14% of Forum's outstanding capital. In March 2017, Tidemark subscribed to 6,666,667 new shares of Forum, together with the subscription simultaneously made by the other shareholder of Forum. This new subscription resulted in Tidemark owning 20% of Forum. Tidemark expects the absolute value of its 20% stake in Forum to exceed the value of its then 27.14% stake. Forum is a gas & oil exploration and production company with a portfolio of projects in the Philippines. Among these projects is the Service Contract (SC) 72 where Forum holds 70% equity. SC72 is situated offshore West of Palawan Island and is host to the Sampaguita offshore gas/condensate discovery. Drilling plans for SC72 have been placed on hold by the Philippine government pending the resolution of territorial sovereignty disputes involving claimant countries surrounding West Philippine Sea.

The Company is a regular member and signatory of the Chamber of Mines. It has adopted the spirit and substance of the Chamber of Mines' Code of Conduct, which calls for sustainable mineral resources development, environmental responsibility and a social commitment to the general welfare and economic development of the people in the localities in which it operates.

Over the past seven decades, the Company has established a strong foundation in the Philippine mining industry.

Pursuant to its goal of seeking out projects to put into operation, the Company made a continued careful and diligent evaluation of multiple metallic and non-metallic prospects for possible investment. While it looked into investment possibilities in Laos, it recently decided to re-focus its efforts in the Philippines with priority on projects in the advanced stage, but not disregarding greenfield exploration prospects with potential. Discussions also continued for mines with confirmed potential and previously operated but closed down during the period with low metal prices. However, the Company has not

made any publicly-announced new products or services nor it or any of its security holders acquired securities of another person, aside from the previously stated acquisition by Tidemark of additional shares of Forum. The Company has no plans of purchasing or selling any significant equipment.

**1. Business Indicators**

The Company is exploring the possibility of entering into a business venture with local and foreign entities. It will abide by the principle of sustainable and socially acceptable mineral resources development.

The viability of expanding the current pilot plant operation and sustaining it at an economically viable scale depends on the price of gold in the world market, the peso-dollar exchange rate, the efficiency of mining and milling operations, and the grade of ore. The higher the grade of ore in grams gold per ton of ore, the higher the profit margin will be.

**2. Participation in Bankruptcy, Receivership or Similar Proceedings**

There is no bankruptcy, receivership or similar proceedings involving the Company.

**3. Competition**

The Company is currently not operating a mine or oil project.

**4. Customers**

The Company and its subsidiaries are not dependent on any single customer or on a few customers.

**5. Patents, Franchise/Government Approvals**

The Company does not own any registered patent, trademark or copyright. Neither is it a recipient of any license or concession nor a party to any royalty agreement. The Company has complied with government rules and regulations and has paid all the necessary taxes and fees. It regularly coordinates with the Department of Energy (DOE) and DENR with regard to new rules and regulations that may be promulgated.

**6. Effect of Existing or Probable Governmental Regulations**

In 2012, Forum encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. However, the permit has not yet been issued by the relevant Government body. The latest resource assessment supported the case to proceed with the drilling and Forum has been granted an extension up to August 2015 to complete its obligations under the service contract. Forum expects to proceed with its commitment as soon as it is able to obtain the necessary authorization from the Government. The Philippine Department of Energy has granted a force majeure on Service Contract 72 [SC 72] because this contract area falls within the territorial disputed area of the West Philippine Sea.

On July 3, 2018, the Department of Environment and Natural Resources issued Administrative Order No. 2018-13 lifting the moratorium on the acceptance, processing and/or approval of applications for Exploration Permit under DENR Memorandum Order No. 2016-01. With the lifting of the moratorium on exploration permit processing, the DENR can

proceed with the evaluation of the Company's existing exploration permit application in Agusan del Norte which the company filed on October 29, 2013. The company had previously complied with the orders of the Mines and Geosciences Bureau (MGB) relative to its EPA by filing two 2 revisions as well as paying the filing fee assessed by MGB. The MGB was in the process of evaluating the company's EPA when the DENR issued Memorandum Order 2016-01 ordering a moratorium on new mining applications. With the lifting of the said moratorium, the MGB is set to endorse the application to its Regional Office in Agusan del Norte which will then require the company to submit additional requirements before approving the same.

On 20 November 2018, during the state visit of Chinese President Xi Jinping to the Philippines, the Philippines and China exchanged a Memorandum of Understanding (MOU) on oil and gas development in the West Philippine Sea. In the said MOU, both countries agreed to establish an Inter-Governmental Joint Steering Committee which will be responsible for negotiating and agreeing the cooperation arrangements and the maritime areas to which they will apply. Both countries endeavoured to agree on the cooperation arrangements within 12 months from the execution of the Memorandum of Understanding. The signing of the MOU gives hope that the territorial dispute between the Philippines and China in the West Philippine Sea will be resolved and Forum can obtain the necessary authorization from the Philippine Government to perform its drilling programs within the territory covered by Service Contract No. 72.

On October 16, 2020, FEL was notified by the DOE that the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the Force Majeure to complete the Sub-Phase 2 work commitment.

However, on April 6, 2022, the DOE issued a directive to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJGCC).

On October 11, 2022, the DOE formally declared Force Majeure in SC72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension nullified all work done since the lifting of the Force Majeure in October 2020. Hence, SC72 was entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were suspended by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the Force Majeure was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC72. Thus, once the Force Majeure is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub-Phase 2 of SC72 prior to October 14, 2020.

As of date, the declaration of Force Majeure in SC72 has not been lifted.

## **7. Research and Development Activities**

The Company does not allocate specific amounts or fixed percentages for research and development. The allocation for such activities may vary depending on the nature of the project.

Total cost incurred, including exploration and development works, during calendar years 2013 to 2022 amounted to P5.2 million broken down as follows:

Period	Revenue	Exploration Development and Environmental Cost	Percentage on Revenue
CY 2013	-	165,450	nil
CY 2014	-	2,456,558	nil
CY 2015	-	1,593,983	nil
CY 2016	-	976,428	nil
CY 2017	-	-	-
CY 2018	-	-	-
CY 2019	-	-	-
CY 2020	-	-	-
CY 2021	-	-	-
CY 2022	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>5,192,419</b>	

The above-mentioned expenses were incurred pursuant to the mandatory requirement to conduct annual assessment works, i.e. reconnaissance and semi-detailed exploration works such as geological mapping, sampling, opening up of assessment tunnels, ore reserve development and assaying of samples, etc., to prove mineable ore reserve, as provided under the Philippine Bill of 1902, Presidential Decree No. 463, the New Mining Code, and applicable laws, rules and regulations. On 8 July 2016, the DENR issued Memorandum Order 2016-01 ordering a moratorium on the approval of new mining projects which effectively halted all exploration works of the company. The said moratorium was lifted only on July 3, 2018. There were still no exploration works after the moratorium was lifted in 2018 because the company is still awaiting the official endorsement of the EPA by the Mines and Geosciences Bureau to its Regional Office in Agusan Del Norte.

#### **8. Compliance with Environmental Laws**

The Company is currently not operating a mine or oil project. In the event that it does, all necessary pollution control and environmental protection measures will be set in place.

#### **9. Employees**

As of end of 2022, the Company has two (2) regular employees while ABSTC, the Company's subsidiary, has only one (1) regular employee, which employees are not subject to Collective Bargaining Agreement. The Company has no plans of adding additional employees for the ensuing twelve (12) months. However, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees. The principal duties and responsibilities of the employees of the Company and its subsidiaries are to conduct technical evaluation of potential mining projects, maintain the validity and existence of the subsidiary's mining rights, conduct exploration and development works, set and run a pilot gold processing plant, and secure all other properties of the subsidiary, including the plant, equipment, records, maps and other valuable information at the mine site.

#### **10. Risk Factors**

The Company's profitability is dependent on the performance of its subsidiary ABSTC and affiliate Forum.

**11. Properties**

Other than its shareholdings in ABSTC and in FEL (through Tidemark), the Company does not own any other significant property.

**12. Legal Proceedings**

The Company is not involved in any legal proceeding.

## E. MARKET PRICE OF AND DIVIDENDS ON THE COMPANY'S COMMON EQUITY

### 1. Market Price of Shares

The Company's common shares are traded in the Philippine Stock Exchange, Inc.. As of September 30, 2023, the closing price of the shares of the Company is P 5.70. The high and low sale prices of the shares for each quarter within the last two (2) fiscal years and during the interim period are:

<i>Year</i>	<i>Quarter Ended</i>	<i>High</i>	<i>Low</i>
2023	09.30.23 -- 3 <sup>rd</sup> Quarter	7.40	4.61
	06.30.23 -- 2 <sup>nd</sup> Quarter	7.18	4.50
	03.31.23 -- 1 <sup>st</sup> Quarter	7.57	6.23
2022	12.31.22 -- 4 <sup>th</sup> Quarter	8.38	7.15
	09.30.22 -- 3 <sup>rd</sup> Quarter	8.60	6.52
	06.30.22 -- 2 <sup>nd</sup> Quarter	8.15	5.50
	03.31.22 -- 1 <sup>st</sup> Quarter	6.72	5.52
2021	12.31.21 -- 4 <sup>th</sup> Quarter	7.00	5.11
	09.30.21 -- 3 <sup>rd</sup> Quarter	8.90	5.89
	06.30.21 -- 2 <sup>nd</sup> Quarter	10.92	7.90
	03.31.21 -- 1 <sup>st</sup> Quarter	10.30	5.10
2020	12.31.20 -- 4 <sup>th</sup> Quarter	17.20	6.66
	09.30.20 -- 3 <sup>rd</sup> Quarter	10.20	7.01
	06.30.20 -- 2 <sup>nd</sup> Quarter	10.18	9.84
	03.31.20 -- 1 <sup>st</sup> Quarter	10.86	10.50
2019	12.31.19 -- 4 <sup>th</sup> Quarter	10.96	9.84
	09.30.19 -- 3 <sup>rd</sup> Quarter	11.80	11.06
	06.30.19 -- 2 <sup>nd</sup> Quarter	12.80	12.38
	03.31.19 -- 1 <sup>st</sup> Quarter	13.10	12.56

[Data taken from the Philippine Stock Exchange, Inc. (edge.pse.com.ph)]



## 2. Holders

### a. **Approximate Number of Shareholders of Each Class of Common Security as of 30 September 2023:**

The Company has 4,180 stockholders as of 30 September 2023.

### b. **The Top 20 Registered Stockholders of the Corporation as of 30 September 2022 are:**

	No. of Shares	%
1. Boerstar Corporation	1,775,218,804	69.75%
2. North Kitanglad Agricultural Co., Inc.	309,000,000	12.63%
3. PCD Nominee Corporation	216,971,068	8.53%
4. Strong Gain Enterprises Limited	119,500,000	4.70%
5. Progressive Development Corporation	93,963,474	3.69%
6. Power Merchant International Limited	26,000,000	1.02%
7. Carroll, Charles F., Trustee Carroll Family Trust FBO Charles F. Carroll	593,200	0.02%
8. Braasch, Herbert	84,884	0.00%
9. Baron, Rose A. & William J. Baron, Jtwros	81,197	0.00%
10. Araneta, Jorge L.	73,535	0.00%
11. McLarney, Jane Mary & Timothy P. McLarney	70,875	0.00%
12. Silbert, Solomon S. & Claire B. Silbert, Jten etc.	56,567	0.00%
13. Cohen, Sy R. & Barbara Cohen, Jtwros	43,195	0.00%
14. Steiner, Norma	38,656	0.00%
15. Loo Ngo Kue	36,020	0.00%
16. Pua, Luis	35,542	0.00%
17. Cunningham, Edmund F. & Pauline F. Cunningham, Jtwros	33,275	0.00%
18. Fores, Maria Lourdes A.	29,840	0.00%
19. Roxas, Judy A.	29,840	0.00%

20.	Anulis, Evelyn	26,753	0.00%
	Total issued and outstanding share) – 2,545,000,000		

*NOTE: NKACI has 13,654,700 shares lodged with PCD Nominee Corporation. In all, NKACI owns 322,654,700 shares representing 12.68% of the total outstanding shares of the Company.*

### 3. Dividends

The Company has not declared any dividends during the last three (3) years.

The Company's Amended By-Laws provide that its Board of Directors may declare dividends only from surplus profits arising from the business of the Company, in accordance with the preferences constituted in favor of preferred stock when and if such preferred stock be issued and outstanding. Restrictions under the Corporation Code of the Philippines also limit the Company's power to declare dividends.

### 4. Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

There were no unregistered or exempt securities sold by the Company, and there were no issuances of securities made by the Company constituting an exempt transaction.

## **F. COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICE**

The Company has adopted the Securities and Exchange Commission's Corporate Governance Self-Rating Form (SEC CG-SRF) as its system of evaluation for compliance with the Company's Manual on Corporate Governance.

To fully comply with the adopted leading practices on good corporate governance, the following measures, among others, are being undertaken by the Company:

1. Holding a seminar on good corporate governance for Directors and Officers;
2. Adoption and implementation of a Code of Conduct for Directors, Officers and Employees;
3. Development, adoption and accomplishment of Full Business Interest Disclosure Form for all Directors and Officers;
4. Regularly holding, on a quarterly basis at the very least, Regular and Special Board Meetings;
5. Regular meetings of Board Committees, i.e. Nomination, Audit, and Compensation and Remuneration Committees;
6. Preparation and implementation of Audit Plans and Programs;
7. Adoption and implementation of Vision and Mission Statements and Corporate Strategy Financial and Operation Plans;
8. Identification and management of key performance risk areas;
9. Adoption and implementation of Guidelines on Capital Expenditures; and
10. Duly minuted proceedings of all Regular and Special Board Meetings and Board Committee Meetings.

To appraise the performance of the Board, the Company uses the evaluation method of self-assessment and feedback review based on the following criteria:

1. Organization and Dynamics, including mix of skills, knowledge, diversity, experience and independence
2. Efficiency and Effectiveness, including individual performance of each member and clarity of purpose;
3. Direction and Values including the quality of leadership and relationships between and among members;
4. Risk Management and Governance;
5. Strategic Resource Allocation;
6. Succession Planning; and
7. Business Performance, including the level and quality of reporting measures.

There were no deviations from the Company's Manual of Corporate Governance.

The Company plans to hold more seminars on the different aspects of good corporate governance, such as risk management, to improve its corporate governance.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARGARITO B. TEVES**, Filipino, of legal age, with address at Great Wall Advertising Building, 136 Yakal Street, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ATOK-BIG WEDGE CO., INC.**
2. I am affiliated with the following companies or organizations (*including Government-Owned and Controlled Corporations*):

Company	Position/Relationship	Period of Service
P.J. Lhuillier Group of Companies	Member, Strategic Committee	February 2015 to present
Petron	Independent Director	May 20, 2014 to present
Atlantic Aurum Investments Philippines Corporation	Independent Director	July 19, 2013 to present
San Miguel Corporation	Independent Director	June 14, 2012 to present
Alphaland Corporation	Independent Director	August 31, 2011 to present
Alphaland Balesin Island Club, Inc.	Independent Director	2011 - Present
The City Club at Alphaland Makati Place, Inc.	Independent Director	2011 – Present
Pampanga Sugar Development Co. (PASUDECO)	Director	July 2011 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ATOK-BIG WEDGE CO., INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **ATOK-BIG WEDGE CO., INC.** and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (*where applicable*)

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (*as the case may be*):

<i>Offense Charged/Investigated</i>	<i>Tribunal or Agency Involved</i>	<i>Status</i>
A Legal suit between private parties for qualified theft and/or estafa. I was included only because I was the former President of Land Bank.	Office of the City Prosecutor (Manila)	Have not received copy of the actual complaint-affidavit
Republic Act No. 3019. I was included only because I was the former ex <i>oficio</i> Chairman of Land Bank (as DOF Secretary).	Sandiganbayan	Pending at the Sandiganbayan; latest court order to date: case suspended pending civil suit of SMC vs. Land Bank

6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from (head of the agency/department) to be an independent director in **ATOK-BIG WEDGE CO., INC.**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **ATOK-BIG WEDGE CO., INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this OCT 23 2023, at \_\_\_\_\_.

**MARGARITO B. TEVES**

Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ at \_\_\_\_\_, affiant personally appeared before me and exhibited to me the following competent evidence of his/her identity: TIN No. 105-549-310.

Doc. No. 60;  
Page No. 13;  
Book No. XII;  
Series of 1000.

**ATTY. ROLAND E. LAS PIÑAS**  
Notary Public - City of Manila  
Notarial Commission No. 2023/016  
Until Dec. 31, 2024  
240 C.A.H. Leason St., Samp. Mla  
Roll of Attorney No. 34035  
PTR No. 0822024/JAN 3, 2023/MLA  
IBP Membership No. 243549 / 06/20/2022  
MCLE Exempted G.B.O. 1s 2008



### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **DENNIS A. UY**, Filipino, of legal age, and with office address at Udenna Tower, Rizal Drive corner 4<sup>th</sup> Avenue, Bonifacio Global City, Taguig, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **ATOK-BIG WEDGE CO., INC.**
2. I am affiliated with the following companies or organizations (*including Government-Owned and Controlled Corporations*):

<i>Company/Organization</i>	<i>Position/Relationship</i>
Udenna Corporation	Chairman/CEO
Udenna Foundation, Inc.	Chairman
Udenna CME Holdings Corporation	Chairman/President & CEO
Dito CME Holdings Corp.	Chairman/ CEO
Dito Holdings Corporation	Chairman/President
Dito Telecommunity Corporation	Co-Chairman /President & CEO
Le Penseur Inc.	Chairman
Motostrada Inc.	Chairman
Modena Motorsports Inc.	Chairman
DITO CME Ventures Corporation	Chairman
Una Technologies Corporation	Chairman
P-H-O-E-N-I-X Petroleum Holdings, Inc.	Chairman/President
P-H-O-E-N-I-X Petroleum Philippines, Inc.	Chairman/Chief Strategy Officer
P-H-O-E-N-I-X Petroleum Global Mercantile, Inc.	Chairman/President
Subic Petroleum Trading and Transport Phils.	Chairman/President & CEO
P-F-L Petroleum Management, Inc.	Chairman/President
Phoenix Philippines Foundation, Inc.	Chairman
PH Resorts Group Holdings, Inc.	Chairman
PH Travel and Leisure Holdings Corp.	Chairman
Lapulapu Leisure Inc.	Chairman
Lapulapu Land Corp.	Chairman
Donatela Hotel Panglao Corp.	Chairman
Donatela Resorts & Development Corp.	Chairman
Clark Grand Leisure Corp.	Chairman
CD Treasures Holdings Corp.	Chairman
Davao PH Resort Corp.	Chairman
CGLC Cultural Heritage Foundation	Chairman
Lapulapu Cultural Heritage Foundation, Inc.	Chairman
Udenna Land Inc.	Chairman
Udenna Tower Corporation	Chairman
Calaca Industrial Seaport Corp.	Chairman
Clark Global City Corp.	Chairman
GGDC Holdings, Inc.	Director
Global Gateway Development Corp.	Chairman
Global Gateway Logistics City Holdings Company	Chairman
Global Gateway Logistics City Aeropark Corporation	Chairman
Global Gateway Logistics City Business Park Corporation	Chairman



Global Gateway Logistics City Town Center Corporation	Chairman
Global Gateway Logistics City Logistics Park Corporation	Chairman
Global Gateway Logistics City Services Corp.	Chairman
Betelguese Land Corporation	Chairman
Formacis Land Corporation	Chairman
Pleiades Land Corporation	Chairman
Riegel Land Corporation	Chairman
Electra Land Corporation	Chairman
Kraz Land Corporation	Chairman
Grafias Land Corporation	Chairman
Lessth Land Corporation	Chairman
Heze Land Corporation	Chairman
Chelsea Logistics and Infrastructure Holdings Corporation	Chairman
Chelsea Shipping Corp.	Chairman
Michael, Inc.	Chairman
Bunkers Manila Incorporated	Chairman
PNX-Chelsea Shipping Corp.	Chairman
Chelsea Dockyard Corp.	Chairman
Fortis Tugs Corporation	Chairman
Davao Gulf Marine Services Inc.	Chairman
Chelsea Ship Management and Marine Services Corp.	Chairman
Starlite Ferries, Inc.	Chairman
Starlite Gallant Ferries, Inc.	Chairman
Starlite Premiere Ferries, Inc.	Chairman
Worklink Services, Inc.	Chairman
Trans-Asia Shipping Lines, Inc.	Chairman
Ocean Star Shipping Corporation	Chairman
Starsyshoppe, Inc.	Chairman
Dynamic Cuisine, Inc.	Chairman
Quality Metal & Shipworks, Inc.	Chairman
Eight-8-Ate Holdings, Inc.	Chairman
Conti's Holdings Corporation	Chairman
Ancecar specialty Foods, Inc.	Chairman
Argajon Specialty Foods, Inc.	Chairman
Conti's Specialty Foods, Inc.	Chairman
Masuma Food Industry Inc.	Chairman
NOC specialty Foods, Inc.	Chairman
Shanjon Specialty Foods, Inc.	Chairman
Wenphil Corporation	Chairman
Le Penseur Inc.	Chairman/President & CEO
Enderun Colleges Inc.	Chairman
ADF Enderun 101, Inc.	Chairman
Udenna Management & Resources Corp.	Chairman/President & CEO
Global Synergy Trade and Distribution Corp.	Chairman/President
L3 Concrete Specialists Inc.	Chairman
Valueleases, Inc.	Chairman/President & CEO
Udenna Environmental Services, Inc.	Chairman
GoHotels Davao, Inc.	Director
Aetos Air Philippines, Inc.	Chairman/President & CEO
Udenna Trade Corporation	Chairman/President & CEO
Udenna Water Integrated Services Inc.	Chairman/President & CEO

Mithras Security and Investigation Inc.	President
Mindanao Clean Air Corp.	Board Member
Davao Wildwater Adventure Inc.	Board Member/Corporate Secretary
Moonbeam Realty Development Corp.	Board Member
Astana Grand Trade Corp.	Board Member
F2 Logistics Philippines, Inc.	Board Member
F2 Global Logistics Inc.	Board Member
Udenco Corporation	Board Member/Corporate Secretary
APEX Mining Corporation	Independent Director

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **ATOK-BIG WEDGE CO., INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of **ATOK-BIG WEDGE CO., INC.** and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (*where applicable*)

<i>Name of Director/Officer/ Substantial Shareholder</i>	<i>Company</i>	<i>Nature of Relationship</i>
None		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (*as the case may be*):

<i>Offense Charged/Investigated</i>	<i>Tribunal or Agency Involved</i>	<i>Status</i>

6. (*For those in government service/affiliated with a government agency or GOCC*) I have the required permission from (*head of the agency/department*) to be an independent director in **ATOK-BIG WEDGE CO., INC.**, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **ATOK-BIG WEDGE CO., INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this OCT 23 2023, at \_\_\_\_\_.

**DENNIS A. UY**  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_  
at CITY OF MANILA, affiant personally appeared before me and exhibited to me the following competent evidence of his identity, **Passport No. P6685214B valid through 20 April 2031.**

Doc. No. 39;  
Page No. 13;  
Book No. XLI;  
Series of 7023.

**ATTY. ROLANDE LAS PIÑAS**  
Notary Public / City of Manila  
Notarial Commission No. 2023/016  
Until Dec 31 2024  
240-C.A.H. Lacson St., Samp. Mla  
Roll of Attorney No. 84035  
PTR No. 0822024/JAN 3, 2023/ MLA  
ISP Membership No. 243549 / 06/20/2022  
MCLE Exempted G.B.O. 1s 2008



REPUBLIC OF THE PHILIPPINES )  
 MAKATI CITY ) S.S.

### SECRETARY'S CERTIFICATE

I, **Charles Edward M. Cheng**, of legal age, Filipino, and with office address at 5th Floor, Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, after being duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **ATOK-BIG WEDGE CO., INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with business office address at Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Barangay Bel-Air, 1209 Makati City, Philippines;

2. To the best of my knowledge, none of the directors and officers of the Corporation works in the government.

IN WITNESS WHEREOF, I have hereunto affixed my signature this OCT 26 2023,  
 at Makati City, Metro Manila.

**CHARLES EDWARD M. CHENG**  
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this OCT 26 2023, at Makati City, Metro Manila, affiant exhibiting to me his TIN 255-721-029.

Doc. No. 354;  
 Page No. 72;  
 Book No. 12;  
 Series of 2023.

**ATTY. ROLAND E. LAS PIÑAS**  
 Notary Public - City of Manila  
 Notarial Commission No. 2023/016  
 Until Dec. 31/2024  
 240-C.A.H. Lacson St., Samp. Mla  
 Roll of Attorney No. 84035  
 PTR No. 0822024/JAN 3, 2023/MLA  
 IBP Membership No. 243549 / 06/20/2022  
 MCLE Exempted G.B.O. 1s 2008

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS  
OF  
ATOK-BIG WEDGE CO., INC.**

Held at The City Club at Alphaland Makati Place  
on 26 May 2022 at 5:00 p.m.

**ATTENDANCE:**

**DIRECTORS PRESENT:**

Stockholder	Number of Shares	With Proxy	In Favor Of
Roberto V. Ongpin	1		
Eric O. Recto	1		
Walter W. Brown	1		
Michael Angelo Patrick M. Asperin	100		
John Peter Chick B. Castelo	102		
Paul Francis B. Juat	100		
Mario A. Oreta	1		
Dennis O. Valdes	1		
Dennis A. Uy	1,000		
Margarito B. Teves	100		
Charles Edward M. Cheng	100		
Boerstar Corporation	1,775,218,804	Yes	Roberto V. Ongpin
North Kitanglad Agricultural Co., Inc.	309,000,000	Yes	Walter W. Brown
PCD Nominee	113,654,700	Yes	Walter W. Brown
<b>TOTAL ATTENDEES</b>	<b>2,197,875,011</b>		
<b>TOTAL I/O SHARES</b>	<b>2,545,000,000</b>		
<b>Percentage of Attendance</b>	<b>83.36%</b>		

**PROCEEDINGS**

**I. CALL TO ORDER**

The Chairman, Mr. Roberto V. Ongpin, called the meeting to order and presided over the same. The Corporate Secretary Atty. Charles Edward M. Cheng, recorded the minutes of the meeting.

**II. PROOF OF NOTICE AND CERTIFICATION AS TO QUORUM**

The Corporate Secretary reported that notice of the meeting had been sent to the stockholders, in accordance with the SEC rules and as provided in the By-Laws of the Corporation and that there were present, in person and by proxy (via remote

communication), stockholders owning 2,197,875,011 shares representing approximately 83.36% of the outstanding capital stock. He then certified that there is a quorum to transact the business at hand.

The Corporate Secretary also shared the procedure for the meeting, which was conducted virtually in order to ensure the safety of the attendees in light of the COVID-19 pandemic.

The Chairman then introduced the members of the Board of Directors present during the meeting:

Roberto V. Ongpin	Chairman of the Board
Dennis A. Uy	Vice-Chairman and Independent Director
Eric O. Recto	President and Director
Walter W. Brown	Director
Michael Angelo Patrick M. Asperin	Director
John Peter Chick B. Castelo	Director
Paul Francis B. Juat	Director
Mario A. Oreta	Director
Dennis O. Valdes	Director
Margarito B. Teves	Independent Director
Charles Edward M. Cheng	Director and Corporate Secretary

### III. APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL STOCKHOLDERS' MEETING ON 8 JUNE 2021

The next item on the agenda was the approval of the minutes of the previous annual stockholders' meeting held on 8 June 2021, copies of which had earlier been distributed to the stockholders. Upon motion duly made and seconded, the reading of the minutes of the previous stockholders' meeting held on 30 July 2020 was dispensed with and the following resolution was unanimously approved:

*"RESOLVED, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders' Meeting held on June 8, 2021."*

### IV. RATIFICATION AND APPROVAL OF CORPORATE ACTS

The Chairman then announced that the next item on the agenda was the ratification and approval of all corporate acts and proceedings of the Board of Directors, Committees of the Board, Management, and corporate officers from the last annual stockholders' meeting held on 8 June 2021 up to the current date, as contained in the minutes of the meetings of the stockholders, the Board of Directors,



the Executive Committee and in the Corporation's disclosures to the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE"), as well as in the Corporation's Definitive Information Statement for this meeting that was distributed to the stockholders.

Upon motion duly made and seconded, the following resolution was approved:

*"RESOLVED, that all acts, resolutions, and deeds of the Company's Board of Directors and its Committees, as well as that of Management, from the Annual Stockholders' Meeting held on June 8, 2021 up to the date of this meeting be, as they hereby are, confirmed, ratified and approved."*

## V. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda is the election of the members of the Corporation's Board of Directors. The Chairman informed the stockholders that it is mandatory that independent directors be elected to the Board. Further, he stated that only nominees whose names appear in the Final List of Candidates shall be eligible for election. He then instructed the Corporate Secretary to advise the stockholders present and represented of the nominations for the same. The Corporate Secretary then reported that the following have been nominated for election as members of the Board of Directors for the current year:

### Regular Directors:

Roberto V. Ongpin

Eric O. Recto

Walter W. Brown

Michael Angelo Patrick M. Asperin

John Peter Chick B. Castelo

Paul Francis B. Juat

Anna Bettina Ongpin

Mario A. Oreta

Dennis O. Valdes

Charles Edward M. Cheng

### Independent Directors

Dennis A. Uy

Margarito B. Teves

There being no other nominees, on motion duly made and seconded, the Corporate Secretary was directed and authorized to cast all votes of the stockholders present or represented at the meeting equally among the twelve (12) nominees. The twelve (12) nominees were thereby unanimously elected as members of the Board of Directors for the current year and until their successors are duly elected and qualified in accordance with the By-Laws of the Corporation.

## VI. APPOINTMENT OF THE EXTERNAL AUDITOR

The Chairman then opened the floor for the next item on the agenda which was the appointment of the Corporation's External Auditor.

Upon motion duly made and seconded, the following resolution was approved:

*"RESOLVED, that the accounting firm of Reyes Tacandong & Co., be, as they hereby are, re-appointed as external auditors of the Company for the fiscal year 2022."*

**VII. APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020**

The next item on the agenda was the approval of the Management Report and the Audited Financial Statements for the year ended 31 December 2021, copies of which were previously distributed to the stockholders.

Mr. Eric O. Recto presented the Management Report to the stockholders.

Upon motion duly made and seconded, all the stockholders present and represented during the meeting approved the Management Report and the following resolution:

*"RESOLVED, that the Company's Audited Financial Statements for the year ended December 31, 2021 be, as the same are hereby, approved."*

**VIII. OTHER MATTERS**

The Chairman then opened the floor for any questions or comments from the stockholders. None of the stockholders present or represented asked any questions.

**IX. ADJOURNMENT**

There being no other business to discuss, the meeting was, upon motion duly made and seconded, adjourned.

Certified correct:



**CHARLES EDWARD M. CHENG**

*Corporate Secretary and Director*

Attested:



**ROBERTO V. ONGPIN**

*Chairman*

Directors Present:

**ERIC O. RECTO**

*Director*

**WALTER W. BROWN**

*Director*

**MICHAEL ANGELO PATRICK M. ASPERIN**

*Director*

**JOHN PETER CHICK B. CASTELO**

*Director*

**PAUL FRANCIS B. JUAT**

*Director*

**MARIO A. ORETA**

*Director*

**DENNIS O. VALDES**

*Director*

**DENNIS A. UY**

*Independent Director*

**MARGARITO B. TEVES**

*Independent Director*

## Voting Tabulation Results

**A.) APPROVAL OF MINUTES OF PREVIOUS ANNUAL STOCKHOLDERS MEETING HELD ON JUNE 8, 2021**

*"Resolved, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders' Meeting held on June 8, 2021."*

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
<b>Approval of the Minutes of the Stockholders' Meeting held on June 8, 2021</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

**B.) APPROVAL OF CORPORATE ACTS**

*"RESOLVED, that all acts, resolution, and deeds of the Company's Board of Directors and its Committee, as well as that of its Management, from the Annual Stockholders' Meeting held on June 8, 2021 up to the date of this meeting be as they hereby are, confirmed, ratified and approved."*

	<b>Yes</b>	<b>No</b>	<b>Abstain</b>
<b>Approval of Corporate Acts</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>

**C.) ELECTION OF DIRECTORS**

*"RESOLVED to elect the following as Directors of the Company to serve as such beginning today until their successors are elected and qualified:*

	Yes	No	Abstain
Roberto V. Ongpin	100%	0%	0%
Eric O. Recto	100%	0%	0%
Walter W. Brown	100%	0%	0%
Charles Edward M. Cheng	100%	0%	0%
Michael Angelo Patrick M. Asperin	100%	0%	0%
John Peter Chick B. Castelo	100%	0%	0%
Paul Francis B. Juat	100%	0%	0%
Anna Bettina Ongpin	100%	0%	0%
Mario A. Oreta	100%	0%	0%
Dennis O. Valdes	100%	0%	0%
Margarito B. Teves	100%	0%	0%
Dennis A. Uy	100%	0%	0%

#### **D.) APPOINTMENT OF EXTERNAL AUDITOR**

*"RESOLVED, that the accounting firm of Reyes Tacandong & Co., be as they hereby are, re-appointed as external auditors of the Company for the fiscal year 2022."*

	Yes	No	Abstain
<i>Appointment of Reyes Tacandong &amp; Co. as External Auditors</i>	100%	0%	0%

#### **E.) APPROVAL OF AUDITED FINANCIAL STATEMENTS**

*"RESOLVED, that the Company's Audited Financial Statement for the year ended December 31, 2021 be, as the same are hereby, approved."*

	Yes	No	Abstain
Approval of the Audited Financial Statements as of the year ending December 31, 2021	100%	0%	0%



## Certification

I, Charles Edward M. Cheng, the Corporate Secretary of ATOK-BIG WEDGE CO., INC., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number PW 427-A and with principal office at Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, on oath state:

- 1) That I have caused this SEC Form 20-IS to be prepared on behalf of ATOK-BIG WEDGE CO., INC.;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or on authentic records;
- 3) That the company, ATOK-BIG WEDGE CO., INC., will comply with the requirements set forth in SEC Notice dated June 24, 2020 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) The email account designated by the company pursuant to SEC Memorandum Circular No. 28, series of 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this NOV 13 2023 day of \_\_\_\_\_, 20\_\_\_\_.



Charles Edward M. Cheng

Affiant

SUBSCRIBED AND SWORN to before me this NOV 13 2023 day of \_\_\_\_\_, 20\_\_\_\_, in CITY OF MANILA. Affiant exhibiting to me his/her TIN 255-721-029.

Doc No. 38;  
Page No. 9;  
Book No. XII;  
Series of 20 17.

ATTY. ROLAND E. LAS PIÑAS  
Notary Public, City of Manila  
Notarial Commission No. 2023-016  
Until Dec. 31/2024  
240 C.A.M. Lanson St., Samp. Mia  
Roll of Attorney No. 84035  
PTR No. 0622024/JAN 3, 2023/ MLA  
IBP Membership No. 243549 / 06/20/2022  
MCLE Exempted G.U.O. 1s 2008



Merilyn De Guzman <mgdeguzman@atok.com.ph>

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## MSRD\_ATOK BIG WEDGE CO., INC.\_SEC FORM 17-A\_17May2023

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ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>

Wed, May 17, 2023 at 7:20 PM

To: mgdeguzman@atok.com.ph

Thank you for reaching out to [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph). Your submission is subject for Verification and Review of the Quality of the Attached Document only for **Secondary Reports**. Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order from receipt through the SEC Express System at <https://secexpress.ph/>. Or you may call 8737-8888 for further clarifications.

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### NOTICE

Please be informed that selected reports should be filed through **ELECTRONIC FILING AND SUBMISSION TOOL (EFAST)**. <https://cifss-ost.sec.gov.ph/user/login>

such as: AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC\_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

Further, pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in **PORTABLE DOCUMENT FORMAT (PDF)** Secondary Reports such as:

17-A, 17-C, 17-L, 17-Q, ICASR, ICA-QR, ICA-AR, 23-A, 23-B, I-ACGR, ACGR, Monthly Reports, Quarterly Reports, Letters, OPC(ALTERNATE NOMINEE),GIS-G, 52-AR, IHAR,AMLA-CF,NPM,NPAM, BP-FCLC, CHINESEWALL, [39-AR](#),[36-AR](#), PNFS, MCG, S10/SEC-NTCE-EXEMPT, through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

FOR MC28, please go to SEC website:

<https://apps010.sec.gov.ph>

For your information and guidance.

Thank you and keep safe.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE  
SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION  
CODE OF THE PHILIPPINES**

1. For the Fiscal Year ended **December 31, 2022**
2. SEC Identification No. **427-A** 3. BIR Tax Identification No. **000-707-286**
4. Exact Name as specified in its charter: **ATOK-BIG WEDGE CO., INC.**
5. Province, Country or other jurisdiction of  
incorporation or organization: **Philippines**
6. (SEC use only)  
Industry Classification Code
7. Address of principal office: **Alphaland Makati Place, 7232 Ayala Avenue corner  
Malugay Street, Makati City**
8. Postal Code **1209**
9. Registrant's telephone number, including area code: **(632) 5310-7100; (632) 5337-  
2031**
10. Former name, former address, and fiscal year, if changed since last report: **N.A.**

11. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of  
the RSA

Title of Class	Number of Shares	Number of Shares of Common Stock Outstanding Par value
<b>Common</b>	<b>2,545,000,000</b>	<b>₱2,545,000,000.00</b>

Total Liabilities as of 31 December 2022: **₱1,192,734**

12. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [ **x** ]                      No. [     ]

13. Check whether the registrant:

- (a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder, or Section 11 of the Revised Securities Act and RSA rule 11-(a)-1 thereunder, and sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes ☒ No. ☐

- (b) Has been subject of such filing requirements for the past 90 days:

Yes ☒ No. ☐

14. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

	Non-Affiliates	Market Value	Total
	No. of Shares	As of 03.15.23	Market Value
<b>Common</b>	<b>358,833,290</b>	<b>Php6.64</b>	<b>2,382,653,045.60</b>

## **PART I - BUSINESS AND GENERAL INFORMATION**

### **Item 1: Description of Business**

Atok-Big Wedge Co. Inc. (the "Company"), formerly Atok-Big Wedge Mining Co., Inc., was incorporated and registered with the Securities and Exchange Commission (the "SEC") on September 4, 1931. Its corporate life was extended on September 25, 1981 for another fifty (50) years to expire on September 25, 2031. The common shares of the Company are listed in the Philippine Stock Exchange, Inc. (the "PSE"; ticker symbol: AB).

Since its incorporation, the Company engaged in mining as its primary purpose, producing gold as its major product and silver as a by-product. Its production was all sold to the Central Bank of the Philippines at a price subsidized by the Philippine Government, and later on at the prevailing world market price. Gold bullions are used by the Philippine Government as one of the components in the monetary reserve.

Although the Company changed its primary purpose in 1996 from mining to general investment, it reverted to its original purpose of engaging in exploration and development of mining, oil, gas, and other natural resources when it amended its Articles of Incorporation, which was approved by the SEC on May 24, 2010.

The Company has two (2) wholly-owned subsidiaries, AB Stock Transfers Corporation ("ABSTC") and Tidemark Holdings Limited ("Tidemark").

ABSTC was incorporated on June 24, 2010, with the purpose of establishing, operating, and acting as a transfer agent and/or registrar of corporations.

On the other hand, Tidemark is a holding company registered and domiciled in Hongkong SAR, which the Company bought on 3 October 2011. Tidemark used to own 9,646,757 ordinary shares of Forum Energy plc, now Forum Energy Limited ("Forum"), a company registered and domiciled in the United Kingdom representing, approximately 27.14% of Forum's outstanding capital. In March 2017, Tidemark subscribed to just 6,666,667 new shares of Forum, together with the subscription simultaneously made by the other shareholder of Forum which subscribed to the bulk of the subscription offer. This new subscription resulted in Tidemark's shareholdings in Forum being reduced to 20%. In March 2020, in response to a capital call made by Forum, Tidemark subscribed to another 1,666,666 new shares of Forum to maintain its shareholdings in Forum at 20%.

Tidemark expects the absolute value of its 20% stake in Forum to exceed the value of its then 27.14% stake. Forum is a gas & oil exploration and production company with a portfolio of projects in the Philippines. Among these projects is Service Contract No. 72 ("SC72") where Forum holds 70% equity. SC72 is situated offshore West of Palawan Island and is host to the Sampaguita offshore gas/condensate discovery. Drilling plans for SC72 have been placed on hold by the Philippine government pending the resolution of territorial sovereignty disputes involving claimant countries surrounding West Philippine Sea.

The Company is a regular member and signatory of the Chamber of Mines. It has adopted the spirit and substance of the Chamber of Mines' Code of Conduct which calls for sustainable mineral resources development, environmental responsibility and a social commitment to the general welfare and economic development of the people in the localities in which it operates.

Over the past seven decades, the Company has established a strong foundation in the Philippine mining industry.



Pursuant to its goal of seeking out projects to put into operation, the Company made a continued careful and diligent evaluation of multiple metallic and non-metallic prospects for possible investment. While it looked into investment possibilities in Laos, it recently decided to re-focus its efforts in the Philippines with priority on projects in the advanced stage, but not disregarding greenfield exploration prospects with potential. Discussions also continued for mines with confirmed potential and previously operated but closed down during the period with low metal prices. However, the Company has not made any publicly-announced new products or services nor it or any of its security holders acquired securities of another person, aside from the previously stated acquisition by Tidemark of additional shares of Forum. The Company has no plans of purchase or selling any significant equipment.

### **Participation in Bankruptcy, Receivership or Similar Proceedings**

There were no bankruptcy, receivership, or similar proceedings involving the Company.

### **Business Indicators**

The Company is exploring the possibility of entering into a business venture with local and foreign entities to maximize the potential of its mineral properties and to enhance its earnings in the very near future. It will abide by the principle of sustainable and socially acceptable mineral resources development.

The viability of expanding a pilot plant operation and sustaining it at an economically viable scale depends on the price of gold in the world market, the peso-dollar exchange rate, the efficiency of mining and milling operations, and the grade of ore. The higher the grade of ore in grams gold per ton of ore, the higher the profit margin will be.

### **Patents, Franchise/Government Approvals**

The Company has complied with government rules and regulations and has paid all the necessary taxes and fees. It regularly coordinates with the Department of Energy ("DOE") and Department of Environment and Natural Resources ("DENR") with regard to new rules and regulations that may be promulgated.

### **Employees**

As of end of 2022, the Company has two (2) regular employees while ABSTC, the Company's subsidiary, has only one (1) regular employee, which employees are not subject to Collective Bargaining Agreement. The Company has no plans of adding additional employees for the ensuing twelve (12) months. However, if the level of activities increases parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees. The principal duties and responsibilities of the employees of the Company and its subsidiaries are to conduct technical evaluation of potential mining projects, maintain the validity and existence of the subsidiary's mining rights, conduct exploration and development works, set and run a pilot gold processing plant, and secure all other properties of the subsidiary, including the plant, equipment, records, maps and other valuable information at the mine site.

### **Customers**

The Company and its subsidiaries are not dependent on any single customer or on a few customers.



## Transactions with and/or Dependence on Related Parties

The following table summarizes the Group's transactions with related parties (entities with common directors) for the years ended December 31, 2022 and 2021 and the related outstanding balances as at December 31, 2022 and 2021:

	Nature of Transaction	Amount of Transactions		Outstanding Balance	
		2022	2021	2022	2022
<b>Receivable from related parties</b>					
<i>Entities under common management:</i>					
Alphaland Corporation (ALPHA)	Allocated costs	P—	P—	P3,715	P37,545
	Service fee	182,030	182,030	—	—
Alphaland Heavy Equipment Corporation	Allocated costs	—	—	579,305	579,305
The City Club at Alphaland Makati Place, Inc.	Service fee	180,000	180,000	—	33,600
Alphaland Balesin Island Club, Inc.	Service fee	180,000	180,000	—	—
	Reimbursements	—	16,800	32,500	99,700
Alphaland Aviation Inc.	Reimbursements	—	—	796	796
				P616,316	P750,946
<b>Rental and security deposits</b>					
<i>Entity under common management -</i>					
Alphaland Southgate Tower, Inc. (ASTI)	Deposits in relation to lease agreement	P—	P—	P1,349,090	P1,349,090
Alphaland Makati Place, Inc. (AMPI)	Deposits in relation to lease agreement	—	—	33,482	33,482
				P1,382,572	P1,382,572
<b>Payable to related parties</b>					
<i>Entities under common management:</i>					
AMPI	Lease of office space	P—	P39,395	P7,736	P7,736
	Lease of office space				
ASTI	and utilities	—	—	—	—
	Reimbursements	—	—	33,774	33,774
				P41,510	P41,510
<b>Receivables from related parties</b>					
Stockholders	Cash Advances	P—	P210,000,000	P194,865,252	P194,865,252

Aside from the foregoing, there are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

## Patents, Trademarks, Copyrights, Licenses, Concessions and Royalty Agreements

The company does not own any registered patent, trademark or copyright. Neither is it a recipient of any license or concession nor a party to any royalty agreement.

## Effect of Existing or Probable Governmental Regulations

In 2012, Forum encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. However, the permit has not yet been issued by the relevant Government body. The latest resource assessment supported the case to proceed with the drilling and Forum has been granted an extension up to August 2015 to complete its obligations under the service contract. Forum expects to proceed with its commitment as soon as it is able to obtain the necessary authorization from the Government. The DOE has granted a force majeure on SC72 because this contract area falls within the territorial disputed area of the West Philippine Sea.

On July 3, 2018, the DENR issued Administrative Order No. 2018-13 lifting the moratorium on the acceptance, processing and/or approval of applications for Exploration Permit under DENR Memorandum Order No. 2016-01. With the lifting of the moratorium on exploration permit processing, the DENR can proceed with the evaluation of the Company's existing exploration permit application in Agusan del Norte which the company filed on October 29, 2013. The company had previously complied with the orders of the Mines and Geosciences Bureau ("MGB") relative to its EPA by filing two 2 revisions as well as paying the filing fee assessed by MGB. The MGB was in the process of evaluating the company's EPA when the DENR issued Memorandum Order 2016-01 ordering a moratorium on new mining applications. With the lifting of the said moratorium, the MGB is set to endorse the application to its Regional Office in Agusan del Norte which will then require the company to submit additional requirements before approving the same.

On 20 November 2018, during the state visit of Chinese President Xi Jinping to the Philippines, the Philippines and China exchanged a Memorandum of Understanding ("MOU") on oil and gas development in the West Philippine Sea. In the said MOU, both countries agreed to establish an Inter-Governmental Joint Steering Committee which will be responsible for negotiating and agreeing the cooperation arrangements and the maritime areas to which they will apply. Both countries endeavoured to agree on the cooperation arrangements within 12 months from the execution of the MOU. The signing of the MOU gave hope that the territorial dispute between the Philippines and China in the West Philippine Sea would be resolved and Forum could obtain the necessary authorization from the Philippine Government to perform its drilling programs within the territory covered by SC72.

On October 16, 2020, FEL was notified by the DOE that the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the Force Majeure to complete the Sub-Phase 2 work commitment.

However, on April 6, 2022, the DOE issued a directive to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJGCC).

On October 11, 2022, the DOE formally declared Force Majeure in SC72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension nullified all work done since the lifting of the Force Majeure in October 2020. Hence, SC72 was entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were suspended by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the Force Majeure was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC72. Thus, once the Force Majeure is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub-Phase 2 of SC72 prior to October 14, 2020.

As of date, the declaration of Force Majeure in SC72 has not been lifted.

### **Research and Development Activities**

The Company does not allocate specific amounts or fixed percentages for research and development. The allocation for such activities may vary depending on the nature of the project.

Total cost incurred, including exploration and development works, during calendar years 2013 to 2022 amounted to P5.2 million broken down as follows:

Period	Revenue	Exploration Development and Environmental Cost	Percentage on Revenue
CY 2013	-	165,450	nil
CY 2014	-	2,456,558	nil
CY 2015	-	1,593,983	nil
CY 2016	-	976,428	nil
CY 2017	-	-	-
CY 2018	-	-	-
CY 2019	-	-	-
CY 2020	-	-	-
CY 2021	-	-	-
CY 2022	-	-	-
<b>Total</b>	-	<b>5,192,419</b>	

The above-mentioned expenses were incurred pursuant to the mandatory requirement to conduct annual assessment works, *i.e.* reconnaissance and semi-detailed exploration works such as geological mapping, sampling, opening up of assessment tunnels, ore reserve development and assaying of samples, etc., to prove mineable ore reserve, as provided under the Philippine Bill of 1902, Presidential Decree No. 463, the New Mining Code, and applicable laws, rules and regulations. On 8 July 2016, the DENR issued Memorandum Order 2016-01 ordering a moratorium on the approval of new mining projects which effectively halted all exploration works of the Company. The said moratorium was lifted only on July 3, 2018. There were still no exploration works after the moratorium was lifted in 2018 because the Company is still awaiting the official endorsement of the EPA by the MGB to its Regional Office in Agusan Del Norte.

### **Compliance with Environmental Laws**

The Company is currently not operating a mine or oil project. In the event that it does, all necessary pollution control and environmental protection measures will be set in place.

### **Competition**

The Company is currently not operating a mine or oil project.

### **Risk Factors**

The Company's profitability is dependent on the performance of its subsidiary ABSTC and affiliate Forum.

### **Financial Risk Management**

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors reviews and institutes policies for managing each of the risks.

#### Credit Risk

Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. The Company's credit risk arises principally from the Company's cash in banks and cash equivalents, trade receivables and refundable deposits.

Receivables which are neither past due nor impaired are of good quality. These are from clients that pay on time or even before maturity date.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

#### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will adversely affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to transaction and translation exposures resulting from currency exchange fluctuations. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the changes in current exchange rates.

#### Capital Management

The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains healthy capital ratios in order to support its business.

The Company monitors capital on the basis of debt-to-equity ratio which is calculated as total debt divided by total equity. Total debt comprises of accounts payable and accrued expenses, other current liabilities and due to related parties. Total equity comprises all components of equity.

## **Mining Claims**

The Company does not have any existing mining claim.

## **Item 2: Description of Properties**

Other than its shareholdings in ABSTC and in Forum (through Tidemark), the Company does not own any other significant property.

## **Item 3: Legal Proceedings**

The Company is not involved in any legal proceeding.

## **Item 4: Submission of Matters to a Vote of Security Holders**

During the 2022 Annual Meeting of Stockholders, the security holders present and represented (representing more than 2/3 of the Company's outstanding capital stock) approved the appointment of Reyes, Tacandong & Co. as the Company's external auditor.

The following were elected as members of the Company's Board of Directors for 2022-2023 during the Annual Meeting of the Stockholders of the Company held on 26 May 2022:

Roberto V. Ongpin\*  
Eric O. Recto\*  
Walter W. Brown  
Anna Bettina Ongpin  
Michael Angelo Patrick M. Asperin  
John Peter Chick B. Castelo  
Paul Francis B. Juat  
Mario A. Oreta  
Dennis O. Valdes\*\*  
Charles Edward M. Cheng  
Dennis A. Uy – Independent Director  
Margarito B. Teves – Independent Director

\*As previously disclosed, Mr. Roberto V. Ongpin passed away on 05 February 2023. Subsequently, at the Special Meeting of the Board of Directors of the Company held on 02 March 2023, Mr. Eric O. Recto stepped down as the Company's President and was appointed as Chairman and Chief Executive Officer. Further, at the same meeting, Atty. Rodolfo Ma. A. Ponferrada was elected as Interim Director, to serve for the remainder of Mr. Ongpin's term. Atty. Ponferrada was also appointed as the Company's President.

\*\*As previously disclosed, Mr. Dennis O. Valdes retired from group service and resigned as Director of the Company effective 02 August 2022. At the Special Meeting of the Directors of the Company held on 02 August 2022, Mr. Jose Raymund L. Apostol was elected as Interim Director, to serve for the remainder of Mr. Valdes' term.



## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### Item 5: Market for Issuer's Common Equity and Related Stockholder Matters

#### A. Market Information

##### 1. Principal Market – PSE

The Company's common shares are traded in the PSE. As of last trading date of December 29, 2022 the closing price of the shares of the Company was Php 7.48. The high and low sale prices of the shares for each quarter within the last three (3) years are:

Quarter Ended	High	Low
03.31.23 – 1 <sup>st</sup> Quarter	7.57	6.23
12.31.22 – 4 <sup>th</sup> Quarter	8.38	7.15
09.30.22 – 3 <sup>rd</sup> Quarter	8.60	6.52
06.30.22 – 2 <sup>nd</sup> Quarter	8.15	5.50
03.31.22 – 1 <sup>st</sup> Quarter	6.72	5.52
12.31.21 – 4 <sup>th</sup> Quarter	17.00	5.11
09.30.21 – 3 <sup>rd</sup> Quarter	8.90	5.89
06.30.21 – 2 <sup>nd</sup> Quarter	10.92	7.90
03.31.21 – 1 <sup>st</sup> Quarter	10.30	5.10
12.31.20 – 4 <sup>th</sup> Quarter	17.20	6.66
09.30.20 – 3 <sup>rd</sup> Quarter	10.20	7.01
06.30.20 – 2 <sup>nd</sup> Quarter	10.18	9.84
03.31.20 – 1 <sup>st</sup> Quarter	10.86	10.50

[Data taken from the Philippine Stock Exchange, Inc.(edge.pse.com.ph)]

#### B. Holders

##### Approximate Number of Shareholders of Each Class of Common Security as of December 31, 2021:

The Company has 4,179 stockholders as of December 31, 2022.

##### The Top 20 Registered Stockholders of the Company as of December 31, 2022 are:

The list of the top twenty (20) registered shareholders is as follows:

	No. of Shares	%
1. Boerstar Corporation	1,775,218,804	69.75%
2. North Kitanglad Agricultural Co., Inc. (NKACI)	309,000,000	12.14%
3. PCD Nominee Corporation	216,974,560	8.53%
4. Strong Gain Enterprises Limited	119,500,000	4.70%
5. Progressive Development Corporation	93,963,474	3.69%
6. Power Merchant International Limited	26,000,000	1.02%
Carroll, Charles F., Trustee Carroll Family Trust FBO		
7. Charles F. Carroll	593,200	0.02%
8. Braasch, Herbert	84,884	0.00%
9. Baron, Rose A. & William J. Baron, Jtwros	81,197	0.00%
10. Araneta, Jorge L.	73,535	0.00%
11. McLarney, Jane Mary & Timothy P. McLarney	70,875	0.00%



12.	Silbert, Solomon S. & Claire B. Silbert, Jten etc.	56,567	0.00%
13.	Cohen, Sy R. & Barbara Cohen, Jtwros	43,195	0.00%
14.	Steiner, Norma	38,656	0.00%
15.	Loo Ngo Kue	36,020	0.00%
16.	Pua, Luis	35,542	0.00%
17.	Cunningham, Edmund F. & Pauline F. Cunningham, Jtwros	33,275	0.00%
18.	Fores, Maria Lourdes A.	29,840	0.00%
19.	Roxas, Judy A.	29,840	0.00%
20.	Anulis, Evelyn	26,753	0.00%

Total issued and outstanding shares –  
2,545,000,000

*NOTE: NKACI has 1,748,100 shares lodged with PCD Nominee Corporation. In all, NKACI owns 310,748,100 shares representing 12.21% of the total outstanding shares of the Company.*

### **C. Beneficial Owner of More than 5% of Any Class of the Registrant's Common Equity**

(1) TITLE OF CLASS	(2) NAME AND ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	(3) NAME OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	(4) CITIZEN- SHIP	(5) NUMBER OF SHARES	(6) PERCENT TO TOTAL OUTSTANDI NG
Common	Boerstar Corporation* 6766 Ayala Avenue corner Paseo de Roxas, Makati City (Stockholder)	Roberto V. Ongpin – Beneficial Owners	Filipino	1,485,685,983	58.38%
Common	Boerstar Corporation* 6766 Ayala Avenue corner Paseo De Roxas, Makati City (Stockholder)	Eric O. Recto – Beneficial Owner	Filipino	289,532,821	11.38%
Common	North Kitanglad Agricultural Co., Inc. KalugmananManoloFortich, Bukidnon (Stockholder)	Walter W. Brown – controlling shareholder	Filipino	309,000,000**	12.68%
Common	PCD Nominee Corporation (Stockholder)	Public Shareholders – beneficial owner	Filipino	216,373,655	8.50%

\* All shares subscribed by Boerstar Corporation, both fully paid-up and unpaid. The total fully paid-up shares amount to 584,241,964.

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who is indirectly or directly the beneficial owner of more than 5% of the Company's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent of the outstanding shares of common stock. As of December 31, 2022, there are no persons holding more than 5% of the Company's common stocks that are under a voting trust or similar agreement.

## **D. Dividends**

The Company has not declared any dividends during the last three (3) years.

The Company's Amended By-Laws provides that its Board of Directors may declare dividends only from surplus profits arising from the business of the Company, in accordance with the preferences constituted in favor of preferred stock when and if such preferred stock be issued and outstanding. Restrictions under the Corporation Code of the Philippines also limit the Company's power to declare dividends.

## **Item 6: Management's Discussion and Analysis of Financial Condition and Results of Operations for the Last Three Years**

### **Financial Condition**

#### **a) 2022 Financial Condition**

As of December 31, 2022, the Company's consolidated assets amounted to ₱936.9 million as compared to ₱843.9 million as of December 31, 2021. On the other hand, the Company's liabilities as of December 31, 2022 slightly increased to ₱1.2 million from ₱1.1 million as of December 31, 2021.

Cash and cash equivalents amounting to ₱35.7 million as of December 31, 2022 showed a decrease of ₱58.2 million from ₱93.8 million as of December 31, 2021 mainly due to capital infusion to Tidemark.

Receivables increased from ₱1.7 million as of December 31, 2021 to ₱2.7 million as of December 31, 2022 is mainly due to AB Stock's receivable with DITO Telecommunity as its Receiving Agent for its Stock Rights Offering.

Investment in associate showed an increase of ₱150.1 million from ₱541 million as of December 31, 2021 to ₱691.1 million as of December 31, 2022 due to the additional capital infusion to Tidemark and foreign exchange differences on translation of the financial statements of Tidemark.

Property and equipment decreased by ₱15,181 due to the depreciation expense of the additional computer set for used in operations.

Stockholders' Equity increased from ₱843.9 million at the end of 2021 to ₱935.6 million as of December 31, 2022 primarily due to the increase in foreign exchange difference on translation of the financial statements of Tidemark.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	As of December 31		Increase (Decrease)	
	2022 (Audited)	2021 (Audited)	Amount	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	35,685,197	93,846,057	(58,160,860)	-61.97%
Receivables	2,724,824	1,745,021	979,803	56.15%
Advances to Stockholders	194,865,252	194,865,252	-	100.00%
Other current assets	11,008,727	10,839,256	169,472	1.56%
<b>Total Current Assets</b>	<b>244,284,000</b>	<b>301,295,586</b>	<b>(57,011,585)</b>	<b>-18.92%</b>
<b>Noncurrent Assets</b>				
Investment in an associate	691,063,887	541,013,887	150,050,000	27.73%
Property and equipment	12,654	27,836	(15,182)	-54.54%
Advances to mining right holders	1,525,000	1,525,000	-	0.00%
<b>Total Noncurrent Assets</b>	<b>692,601,540</b>	<b>542,566,722</b>	<b>150,034,818</b>	<b>27.65%</b>
	<b>936,885,541</b>	<b>843,862,308</b>	<b>93,023,233</b>	<b>11.02%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Payables and other current liabilities	1,170,941	1,087,791	83,150	7.64%
Income Tax Payable	825	3,270	(2,445)	-74.77%
<b>Total Current Liabilities</b>	<b>1,171,766</b>	<b>1,091,061</b>	<b>80,705</b>	<b>7.40%</b>
<b>Noncurrent Liabilities</b>				
Deferred Tax Liability	20,968	41,588	(20,620)	100.00%
<b>Total Liabilities</b>	<b>1,192,734</b>	<b>1,132,649</b>	<b>60,085</b>	<b>5.30%</b>
<b>Equity</b>				
Capital stock	1,354,023,160	1,354,023,160	-	0.00%
Deficit	(633,789,102)	(634,816,028)	1,026,926	-0.16%
Cumulative translation adjustment	215,458,749	123,522,527	91,936,222	74.43%
<b>Total Equity</b>	<b>935,692,807</b>	<b>842,729,659</b>	<b>92,963,148</b>	<b>11.03%</b>
	<b>936,885,541</b>	<b>843,862,308</b>	<b>93,023,233</b>	<b>11.02%</b>

**b) 2021 Financial Condition**

As of December 31, 2021, the Company's consolidated assets amounted to ₱ 849.9million as compared to ₱529.7 million as of December 31, 2020. On the other hand, the Company's liabilities as of December 31, 2021 decreased to ₱1.2 million from ₱8.9 million as of December 31, 2020.

Cash and cash equivalents totalling ₱93.8 million as of December 31, 2021 showed a increase of ₱79.4 million from ₱14.4 million as of December 31, 2020, mainly due to Payment by NKACI for capital stock subscriptions amounting to ₱294 million which was offset by ₱194.7 million remaining advances, settlement of USD150,000 loan from shareholders and capital infusion to Tidemark.

Receivables increased from ₱1.7 million as of December 31, 2021 to ₱2.7 million as of December 31, 2022 is attributable to the new .

Investment in associate showed an increase of ₱39.6 million from ₱501.4 million as of December 31, 2020 to ₱541 million as of December 31, 2021 due to the foreign

exchange differences on translation of the financial statements of Tidemark and the share in net loss of operations of Forum.

Equity investment designated as fair value through FVOCI is measured at nil as of December 31, 2021 due to deficit performance of the investee.

Property and equipment decreased by ₱19,995 due to the depreciation expense of the additional computer set for used in operations.

Payables and other current liabilities decreased by ₱7.8 million due settlement of advances made by the group to certain stockholders of the Group in 2020.

Stockholders' Equity increased from ₱521 million at the end of 2020 to ₱842.9 million as of December 31, 2021 primarily due to the increase in foreign exchange difference on translation of the financial statements of Tidemark.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31, 2021 (Audited)	December 31, 2020 (Audited)	Increase (Decrease)	
			Amount	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	93,846,057	14,364,676	79,481,381	553.31%
Receivables	1,745,021	2,124,594	(379,573)	-17.87%
Advances to Stockholders	194,865,252	-	194,865,252	100.00%
Other current assets	10,838,705	10,367,908	470,797	4.54%
<b>Total Current Assets</b>	<b>301,295,035</b>	<b>26,857,178</b>	<b>274,437,857</b>	<b>1021.84%</b>
<b>Noncurrent Assets</b>				
Investment in an associate	541,013,887	501,431,573	39,582,313	7.89%
Equity investment designated as fair value through other comprehensive income (FVOCI)	-	-	-	0.00%
Property and equipment	27,838	47,833	(19,995)	-41.80%
Advances to mining right holders	1,525,000	1,525,000	-	0.00%
<b>Total Noncurrent Assets</b>	<b>542,566,724</b>	<b>503,004,406</b>	<b>39,562,318</b>	<b>7.87%</b>
	<b>843,861,759</b>	<b>529,861,584</b>	<b>314,000,175</b>	<b>59.26%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Payables and other current liabilities	1,081,066	8,861,864	(7,780,798)	-87.80%
<b>Equity</b>				
Capital stock	1,354,023,160	1,060,000,000	294,023,160	27.74%
Deficit	(634,764,994)	(604,933,236)	(29,831,758)	4.93%
Cumulative translation adjustment	123,522,527	65,932,956	57,589,571	87.35%
<b>Total Equity</b>	<b>842,780,693</b>	<b>520,999,720</b>	<b>321,780,973</b>	<b>61.76%</b>
	<b>843,861,759</b>	<b>529,861,584</b>	<b>314,000,175</b>	<b>59.26%</b>

## Operational Results

### a) 2022 Operational Results

2022 operations resulted to ₱92.9 million total comprehensive income compared to ₱27.7 million total comprehensive loss in 2021. The total difference of ₱65.2 million was brought about by the following:

- 1) +₱29.5 million; decrease in share in the net loss of operations of an associate (Tidemark),
- 2) -₱0.5 million; increase in the interest income.
- 3) -₱34.3 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).

#### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31		Increase (Decrease)	
	2022 (Audited)	2021 (Audited)	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	4,468,170	5,338,223	(870,053)	-16.30%
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	2,861,936	(26,647,883)	29,509,819	-110.74%
Service fees	2,115,700	1,583,620	532,080	33.60%
Interest income	616,803	132,423	484,379	-365.78%
Others	86,538	494,975	(408,437)	82.52%
	5,680,976	(24,436,864)	30,117,840	-123.25%
LOSS BEFORE INCOME TAX	1,212,807	(29,775,087)	30,987,893	104.07%
PROVISION FOR INCOME TAX	185,882	107,704	78,178	72.59%
NET INCOME/(LOSS)	1,026,926	(29,882,791)	30,909,717	103.44%
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of an associate	91,936,222	57,589,571	34,346,651	-59.64%
Item that will be reclassified subsequently to profit or loss -				
TOTAL COMPREHENSIVE INCOME	92,963,148	27,706,780	65,256,368	-235.52%
BASIC AND DILUTED LOSS PER SHARE	0.0004	(0.0117)	0.0121	103.44%

## b) 2021 Operational Results

2021 operations resulted to ₱27.8 million total comprehensive income compared to ₱63.1 million total comprehensive loss in 2020. The total difference of ₱90.8 million was brought about by the following:

- 4) +₱19.5 million; increase in share in the net loss of operations of an associate (Tidemark),
- 5) -₱0.3 million; decrease in the interest income.
- 6) -₱108.1 million; increase in the foreign exchange gain on translation of the financial statements of an associate (Tidemark).
- 7) -₱2.2 million; fair value gain on the remeasurement of equity instrument designated as FVOCI.

### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended			
	December 31, 2021	December 31, 2020	Increase (Decrease)	
	(Audited)	(Audited)	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	5,328,228	5,076,924	251,304	4.95%
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	(26,647,883)	(7,118,698)	(19,529,185)	274.34%
Service fees	1,583,620	1,454,020	129,600	8.91%
Interest income	132,423	428,882	(296,459)	69.12%
Interest Expense			-	0.00%
Others	494,975	(1,424)	496,399	34859.49%
	(24,436,865)	(5,237,220)	(19,199,645)	366.60%
LOSS BEFORE INCOME TAX	(29,765,092)	(10,314,144)	(19,450,948)	-188.59%
PROVISION FOR INCOME TAX	66,667	100,808	(34,141)	-33.87%
NET LOSS	(29,831,759)	(10,414,952)	(19,416,807)	-186.43%
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of an associate	57,589,571	(50,491,466)	108,081,037	214.06%
Item that will be reclassified subsequently to profit or loss -				
Fair value remeasurement on equity instrument designated as fair value through other comprehensive income	-	(2,152,285)	2,152,285	-100.00%
TOTAL COMPREHENSIVE INCOME (LOSS)	27,757,812	(63,058,703)	90,816,515	144.02%
BASIC AND DILUTED LOSS PER SHARE	(0.0117)	(0.0041)	(0.0076)	-186.43%



### c) 2020 Operational Results

2020 operations resulted to ₱63.1 million total comprehensive loss compared to ₱86.9 million total comprehensive income in 2019. The total difference of ₱23.9 million was brought about by the following:

- 8) +₱39.2 million; decrease in share in the net loss of operations of an associate (Tidemark),
- 9) -₱0.6 million; decrease in the interest income brought about by decrease in average cash and cash equivalents in 2020.
- 10) -₱12.9 million; increase in the foreign exchange loss on translation of the financial statements of an associate (Tidemark).
- 11) -₱2.2 million; fair value loss on the remeasurement of equity instrument designated as FVOCI.

#### ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31		Increase (Decrease)	
	2020 (Audited)	2019 (Audited)	Amount	%
GENERAL AND ADMINISTRATIVE EXPENSES	5,076,924	5,412,465	(335,541)	-6.05%
OTHER INCOME (EXPENSES)				
Share in the net results of operations of an associate	(7,118,698)	(46,341,640)	39,222,942	-84.64%
Service fees	1,454,020	1,472,540	(18,520)	-1.26%
Interest income	428,882	1,026,904	(598,022)	-58.24%
Others	(1,424)	10,709	(12,133)	-113.30%
	(5,237,220)	(43,831,487)	38,594,267	-88.05%
LOSS BEFORE INCOME TAX	(10,314,144)	(49,243,952)	38,929,808	-79.06%
PROVISION FOR INCOME TAX				
Current	100,808	149,440	(48,632)	-32.54%
Deferred	-	-	-	100.00%
NET LOSS	(10,414,952)	(49,393,392)	38,978,440	-78.91%
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss -				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited	(50,491,466)	(37,597,971)	(12,893,495)	34.29%
Item that will be reclassified subsequently to profit or loss -				
Fair value remeasurement on equity instrument designated as fair value through other comprehensive	(2,152,285)	47,041	(2,199,326)	-4675.34%
TOTAL COMPREHENSIVE INCOME (LOSS)	(63,058,703)	(86,944,322)	23,885,619	-27.47%
BASIC AND DILUTED LOSS PER SHARE	(0.0041)	(0.0194)	0.0153	-78.91%

## Key Performance Indicators

The Company's key performance indicators and their manner of computation are as follows:

	Manner of Calculation	As of		
		December 31, 2022	December 31, 2021	December 31, 2020
<b>CURRENT/LIQUIDITY RATIO</b>		198.03:1	276.15	3.03:1
Current assets	Current assets divided by current liabilities	244,284,000	301,295,586	26,857,178
Current liabilities		1,171,766	1,091,061	8,861,864
<b>SOLVENCY RATIO</b>		0.87:1	(26.37):1	(1.17):1
Net loss after tax less depreciation and impairment losses	The sum of net loss after tax less depreciation and impairment losses divided by total liabilities	1,026,926	(29,882,791)	(10,414,952)
		15,183	19,995	11,848
Total liabilities		1,192,734	1,132,649	8,861,864
<b>DEBT TO EQUITY RATIO</b>		0.001:1	0.001:1	0.017:1
Total liabilities	Total liabilities divided by total equity	1,192,734	1,132,649	8,861,864
Total equity		935,692,807	842,729,659	520,999,720
<b>ASSET TO EQUITY RATIO</b>		1.00:1	1.00:1	1.02:1
Total assets	Total assets divided by total equity	936,885,541	843,862,308	529,861,584
Total equity		935,692,807	842,729,659	520,999,720
<b>INTEREST RATE COVERAGE RATIO</b>		-	-	-
Income before interest and taxes	Income before taxes and interest divided by interest expense	1,212,807	(29,775,087)	(10,314,144)
Interest expense		-	-	-
<b>PROFITABILITY RATIO</b>		(0.001):1	(0.04):1	(0.02):1
Net loss after tax	Net loss after tax divided by total equity	1,026,926	(29,882,791)	(10,414,952)
Total equity		935,692,807	842,729,659	520,999,720

**Current/liquidity ratio** – The ratio decreased from 276.15 to 198.03 due to major decrease in Cash and Cash Equivalents by 61.97% and increase in current liabilities by 13.06%.

**Solvency ratio** –The ratio moved from (26.37) to 0.87 due to net income in 2022 as compared to 2021, from ₦29.8 million Net Loss in 2021 to ₦1 million Net Income in 2022. This is caused primarily by the share in the net income of operations of its associate, Tidemark.

**Debt-to-equity ratio** – There is no significant movement for the Debt-to-equity ratio.

**Asset-to-equity ratio** – There is no significant movement for the Asset-to-equity ratio.

**Profitability ratio** – The ratio moved from (0.04) to (0.001) due to resulting net income in 2022 from ₦ 29.8 million loss in 2021 to ₦1 million Net Income in 2022. This is caused primarily by the share in the net income of operations of its associate, Tidemark.

## **Plan of Operation for the Next Twelve (12) Months**

The Company is still continuing its efforts to secure government approval for its application for Exploration Permit over an area of 3,375 Hectares in CADT134, Agusan Del Norte. While in the process, it will continue to conduct series of field inspection to understand the mineralization occurrence in preparation for more detailed exploration activities. Concurrent to the field activities in CADT134, exploration works continues in Mt. Daraga (587 Hectares), Mendez (486 Hectares) and Aboloc (567 Hectares) areas also in Agusan Del Norte, all under various Memoranda of Agreement. "Sweet" areas (High Grade areas for Gold mineralization) within Mt. Daraga and Mendez have been identified for more detailed subsurface activities. From November 2013 to 31 December 2018, the mining exploration cost of the Company is Php 5,192,419.00.

Plans involving oil and gas exploration have been shelved in relation the uncertainty in supply and demand situation. SC72 is still kept on hold depending on the outcome of Philippine Government initiatives involving West Philippine Sea. The DOE has granted a force majeure on SC72 because this contract area falls within the territorial disputed area of the West Philippine Sea, which is the subject of a United Nations arbitration process between the Republic of the Philippines and the People's Republic of China.

The Company will continue to fund its operations in the next year or two depending on the activities that will materialize using its cash and its money market investments.

The vision of the Company remains and that is to have a substantial involvement in the exploration and judicious development of various natural resources that will contribute to the economic development of the Philippines. The Company's mission to be the leader in chosen fields by creating value through change, utilizing the group's knowledge capital and adopting leading technologies, to enhance shareholders' value and profit through growth in earnings and in intrinsic worth, to be committed to a culture of excellence, loyalty and pride, and to be a socially responsible and environmentally conscious corporate citizen, adhering to the highest ethical standards and respecting the communities to which it belongs remains.

Currently, the Company has no plans of increasing its number of employees during the next twelve (12) months, however, if the level of activities increase parallel to a more supportive regulatory position on exploration and mining, the Company, is expected to increase the number of its employees.

## **Item 7. Financial Statements**

Please see the attached Company's Audited Financial Report as of 31 December 2022 and its supplementary schedules, as well as the Company's audited Statement of Income and Cash Flows for each of the three (3) preceding years.

There are no changes in, or disagreements with, the accountants on accounting and financial disclosure.

## **Item 8.Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

### **A. Audit and Audit Related Fees**

The Company's independent certified public accountant ("ICPA") for 2022 and 2021 is Reyes Tacandong & Co. and the engagement partner is Mr. Emmanuel V. Clarino

The aggregate External Audit Fees (MC No. 14, Series of 2004) billed for each of the last three (3) years, for the audit of the annual financial statements and services that are normally provided by the External Auditor, are as follows:

<u>Year</u>	<u>Amount</u>
2020	300,000
2021	300,000
2022	300,000

The above-mentioned audit fees are inclusive of: (a) other assurance and related services by the External Auditor that are reasonably related to the performance of the audit; and (b) review of the Company's financial statements, exclusive of tax fees and/or representation fees for legal matters.

The Audit Committee makes recommendations to the Board of Directors concerning the external auditors and pre-approves audit plans, scope and frequency before the conduct of the external audit.

The auditor of the Company conducted its audit in accordance with auditing standards generally accepted in the Philippines with the objective of expressing an opinion as to whether the presentation of the financial statements, taken as a whole, conforms to accounting principles generally accepted in the Philippines. They performed tests of the accounting records and such other procedures, as they considered necessary in the circumstances to provide a reasonable basis for an opinion on the financial statements. They also assessed the accounting principles used and significant estimates made by management and evaluated overall financial statements presentation.

The auditor also considered the Company's internal control in order to determine the nature, timing and extent of the audit procedures for the purpose of expressing an opinion on the financial statements. There were no audit fees related to this.

There were no products and services provided by the external auditor other than the services reported under the above items.

There were no disagreements between the auditor and the Company with respect to the accounting/auditing issues raised during the year.

#### **B. Audit Committee Policies and Procedure – External Audit Services and Fees Policies:**

1. An external auditor is selected and appointed by the stockholders upon recommendation of the Audit Committee through the Board of Directors.
2. All proposed professional fees from the external auditor for professional services are to be approved by the Board of Directors through the Audit Committee.
3. The Audit Committee is to pre-approve the scope of proposed professional services and/or audit plans of the external auditor.

#### **Procedure:**

1. A proposal for the appointment of an external auditor is submitted by the external auditor.
2. The stockholders, during their annual stockholders' meeting, shall appoint the external auditor upon recommendation of the Audit Committee through the Board of Directors.
3. All proposed professional fees shall be submitted to the Audit Committee, outlining the scope of work, deadlines and other pertinent information.
4. The Audit Committee reviews and decides on the proposal.

5. The acceptance of the proposal is forwarded to the Board of Directors and formally communicated to the external auditor.
6. After the external auditor renders its services, the Audit Committee evaluates and reviews its final reports to ensure compliance with the service agreement.
7. The Audit Committee submits to the Board of Directors all significant items and findings in the external auditor's report.

### **PART III – CONTROL AND COMPENSATION INFORMATION**

#### **Item 9. Directors and Executive Officers of the Issuer**

##### **Directors, Executive Officers, Promoters and Control Persons**

The names of the Directors and Executive Officers of the Corporation as of December 31, 2022 and their respective ages, positions held, and periods of service are as follows:

Name	Age	Position	Period During Which the Individual has Serves as Such
Roberto V. Ongpin*	86	Chairman of the Board, Chief Executive Officer and Director	12 November 2009 to Present
Dennis A. Uy	49	Vice Chairman and Independent Director	31 May 2018 to present
Eric O. Recto*	59	Vice Chairman, President and Director	10 December 2009 to Present; 1 September 2016 to Present 12 November 2009 to Present;
Walter W. Brown	83	Executive Vice President and Director	31 May 2018 to present; 10 December 2009 to Present
Charles Edward M. Cheng	42	Corporate Information Officer Compliance Officer Corporate Secretary Director	30 June 2021 to present
Jose Raymund L. Apostol**	59	Director	2 August 2023 to Present
Michael Angelo Patrick M. Asperin	64	Director	28 August 2014 to Present
John Peter Chick B. Castelo	56	Director	28 August 2014 to Present
Paul Francis B. Juat	30	Director	31 May 2018 to Present
Anna Bettina Ongpin	58	Director	16 August 2013 to Present
Mario A. Oreta	76	Director	12 November 2009 to Present
Margarito B. Teves	79	Independent Director	26 May 2011 to Present
Josephine A. Manalo	80	Treasurer	11 August 2015 to present
Cristina B. Zapanta	59	Compliance Officer-anti Money Laundering Manual and Senior Vice President for Finance	31 May 2016 to Present
Jeric P. Posio	33	Vice President for Finance	May 26, 2022 to Present



\*As previously disclosed, Mr. Roberto V. Ongpin passed away on 05 February 2023. Subsequently, at the Special Meeting of the Board of Directors of the Company held on 02 March 2023, Mr. Eric O. Recto stepped down as the Company's President and was appointed as Chairman and Chief Executive Officer. Further, at the same meeting, Atty. Rodolfo Ma. A. Ponferrada was elected as Interim Director, to serve for the remainder of Mr. Ongpin's term. Atty. Ponferrada was also appointed as the Company's President.

\*\*As previously disclosed, Mr. Dennis O. Valdes retired from group service and resigned as Director of the Company effective 02 August 2022. At the Special Meeting of the Directors of the Company held on 02 August 2022, Mr. Jose Raymund L. Apostol was elected as Interim Director, to serve for the remainder of Mr. Valdes' term.

Following are information on the educational attainment, business experience for the last five years and other directorships held in other companies' credentials of each of the above-named Directors and Officers, and present nominees for membership in the Board of Directors of the Corporation:

**ROBERTO V. ONGPIN**, *Chairman of the Board, Chief Executive Officer and Director*

Mr. Ongpin, Filipino, 86 years old, was elected Director and Chairman of the Board on 12 November 2009. He is also the Chairman of Alphaland Corporation, a former Chairman of Philweb Corporation, a former Director of San Miguel Corporation, PAL Holdings, Inc. and Petron Corporation. He was the former Chairman of Alphaland Balesin Island Club, Inc. In Hong Kong, he was the Non-Executive Director of Shangri-La Asia and the former Deputy Chairman of the South China Morning Post, both listed in the Hong Kong Stock Exchange. He is also the former Non-Executive Director of Forum Energy PLC (United Kingdom). Mr. Ongpin graduated cum laude in Business Administration from the Ateneo de Manila University, is a Certified Public Accountant and has an MBA from the Harvard Business School.

**DENNIS A. UY**, *Vice Chairman and Independent Director*

Mr. Uy, Filipino, 49 years old, was elected Independent Director and appointed as Vice Chairman of the Board of Directors on 31 May 2018. Mr. Uy is also the Founder, Chairman and CEO of UDENNA Corporation and Dito Telecommunity Corporation; Chairman of Dito CME Holdings Corp.; Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chelsea Logistics Holdings Corporation, Chairman of UDENNA Land, Inc., PH Resorts Group Holdings Corp.; Chairman and President of UDENNA Infrastructure Corp.; Chairman of Phoenix Philippines Foundation, UDENNA Foundation, Silad Atleta Pilipinas Sports Foundation and LIFE Fund. He was appointed Presidential Adviser on Sports in 2016, and has been an Honorary Consul of Kazakhstan to the Philippines since 2011. Mr. Uy is a graduate of De La Salle University with a degree in Business Management.

**ERIC O. RECTO**, *President and Director*

Mr. Recto, Filipino, 59 years old, was elected Director on 12 November 2009 and appointed as Director on 10 December 2009. He is presently the President of Atok-Big Wedge Co., Inc., the Chairman of the Philippine Bank of Communications in 2012. He is presently Chairman and President of Bedfordbury Development Corporation; Chairman and President of Optimum Dev't. Holdings Phils., Inc.; Independent Director of Aboitiz Power Corporation and Philippine H2O; Director of DITO CME Holdings Corp. (formerly ISM Communications Corporation); and a Member of the Board of Supervisors of Acentic GmbH. Mr. Recto served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005, in charge of handling both the International Finance Group and the Privatization Office. Before his stint with the government, he was Chief Finance Officer of Alaska Milk Corporation and Belle Corporation. Mr. Recto has a degree in Industrial Engineering from the University of the Philippines as well as an MBA from the Johnson School, Cornell University.



**WALTER W. BROWN, *Executive Vice-President and Director***

Dr. Brown, 83 years old, Filipino, was elected Director on 10 December 2009. He is presently the Executive Vice-President of Atok-Big Wedge Co., Inc. He is also the President and CEO of Apex Mining Co., Inc.; the Chairman of A Brown Company, Inc.; Palm Thermal Consolidated Holdings Corporation; International Cleanenvironment Systems, Inc.; North Kitanglad Agricultural Company, Inc.; PhiGold; and A Brown Energy & Resources Dev't. Inc.; President of Monte Oro Resources and Energy Inc.; and PBJ Corporation. He received two undergraduate degrees: B.S. Physical Science (1959) and B.S. Geology (1960), both from the University of the Philippines, and post graduate degrees from Stanford University: M.S. Economic Geology (1963), and Ph.D in Geology, and Major in Geochemistry (1965). He was a candidate in master of Business Economics (1980) from the University of Asia & the Pacific (formerly Center for Research & Communications). He is currently the Chairman and Director of Family Farm School (PPAI), Chairman and President of Studium Theologiae Foundation, Vice Chairman of the Board of Trustees of Xavier University, and the Geological Society of the Philippines.

**JOSE RAYMUND L. APOSTOL, *Director***

Mr. Apostol, Filipino, 59 years old, was elected Director on 2 August 2022. He was previously a Director and President of the Company from 01 June 2013 to 30 September 2016. He is currently the Senior Executive Vice President of Monte Oro Resources and Energy, Inc. He was a Director and the President of Forum Energy Philippines Corp. from 2007 to 2013 and President and Technical Director of PhiGold Metallic Ore Inc. from 2008 to 2013. He was also a Non-exclusive consultant of Forum Exploration Inc., Non-Exclusive Adviser to the Chairman & CEO of Philex Petroleum Corporation, and Country Manager for Philippine Operations of Sterling Energy (plc), U.K., among others. He is a Geologist by profession. He is a Director of Petroleum Association of the Philippines. He is also a member of Southeast Asian Petroleum Exploration Society, American Association of Petroleum Geologists and Geological Society of the Philippines. He graduated with a degree of Bachelor of Science in Geology from the University of the Philippines.

**MICHAEL ANGELO PATRICK M. ASPERIN, *Director***

Mr. Asperin, Filipino, 64 years old, was elected Director on 28 August 2014. He is a Director and Chief Operating Officer of Alphaland Corporation and also handles the operations of the aviation and security divisions of the Alphaland Group of Companies. He is also the President and Chief Executive Officer of Alphaland Balesin Island Club, Inc. (ABICI). Prior to joining Alphaland, he served in Philweb Corporation from 2009 to 2012 as Senior Vice President for Enterprise Risk Management. He graduated from the Philippine Military Academy in 1981.

**JOHN PETER CHICK B. CASTELO, *Director***

Mr. Castelo, Filipino, 56 years old, was elected Director on 28 August 2014. He is presently the Senior Vice President for Business Development of Araneta Center Inc. and sits in the board of its various subsidiaries and affiliates. He had 27 years of experience in real estate and finance industries. He earned his Masters in Business Administration and Degree in Bachelor of Science in Electrical Engineering from the University of the Philippines in Diliman.

**PAUL FRANCIS B. JUAT, *Director***

Mr. Juat, Filipino, 30 years old, was elected Director on 31 May 2018. He is a director of Brownfield Holdings Corporation, North Kitanglad Agricultural Company, Inc., PBJ Corporation, and Pacific Bougainville Holdings Corporation. He also currently serves as Assistant to the President of Apex Mining Co., Inc. He holds a Bachelor's Degree in Industrial Engineering from the University of the Philippines, Diliman.

**ANNA BETTINA ONGPIN, *Director***

Ms. Ongpin, Filipino, 58 years old, was elected Director on 16 August 2013. She is also currently the Vice-Chairman, Assistant to the Chairman and Director of Alphaland Corporation. She too is the Chairman of Alphaland Balesin Island Club, Inc.; Chairman and President of The City Club at Alphaland Makati Place, Inc.; and Chairman of The Alpha Suites. Ms. Ongpin has more than thirty years of communications, marketing, project management, and operations experience in the management consulting and media fields. She holds a Bachelor's Degree in Political Science from Wellesley College.

**MARIO A. ORETA, *Director***

Mr. Oreta, Filipino, 76 years old, was elected Director on 12 November 2009. He is also a Director of Alphaland Corporation and The City Club at Alphaland Makati Place, Inc. He served as President of Alphaland Corporation from 2007 to 2016. He graduated with honors from the Ateneo De Manila University with a degree in Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo and Ongsiako after graduating from law school. He is the managing partner of The Law Firm of Mario A. Oreta and Partners.

**MARGARITO B. TEVES, *Independent Director***

Mr. Teves, Filipino, 79 years old, was elected Independent Director on 26 May 2011. He is also an Independent Director of Alphaland Corporation, Alphaland Balesin Island Club, Inc. and The City Club at Alphaland Makati Place, Inc. He is currently the Independent Director of Petron, Atlantic Aurum Investments Philippines Corporation and San Miguel Corporation. He was formerly Secretary of the Department of Finance, Landbank President and CEO, and a Member of the House of Representatives (representing the 3rd District of Negros Oriental). He obtained a Higher National Diploma (HND) in Business Studies, equivalent to a BSC in Business Economics, from the City of London College, and a Master of Arts (MA) in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA. He was conferred an Honorary Degree, Doctor of Laws, by Williams College, and named Senior Adviser to the China-Asean Economic and Culture Research Center and Visiting Professor at the Guilin University of Electronic Technology in China.

**JOSEPHINE A. MANALO, *Treasurer***

Ms. Manalo, Filipino, 80 years old, was appointed Treasurer on 11 August 2015. She is connected with Alphaland Corporation as Executive Assistant to the Chairman. She also works in various capacities for Mr. Roberto V. Ongpin's Group of Companies. She has a Bachelor of Science in Business Administration degree from St. Theresa's College, Manila.

**CRISTINA B. ZAPANTA, *Senior Vice President for Finance and Compliance Officer for Anti-Money Laundering Manual***

Ms. Zapanta, Filipino, 59 years old, was appointed Vice President for Finance and Compliance Officer for Anti-Money Laundering Manual on 31 May 2016. She is presently the Company's Senior Vice President for Finance. She is also the Senior Vice President for Finance of Alphaland Corporation; Alphaland Balesin Island Resort Corporation; Alphaland Balesin Island Club, Inc.; Alphaland Makati Place, Inc. and Alphaland Southgate Tower, Inc. Prior to joining the Company, she was the Finance and Administration Head of Connectivity Unlimited Resources Enterprise, Inc. (2006-2008) and Accounting Head of Belle Corporation (1997-2006). She has more than 30 years solid experience in Finance, of which over half is in the real estate industry. She is a Certified Public Accountant.

**JERIC PAUL P. POSIO**, *Vice President for Finance*

Mr. Posio, Filipino, 33 years old, was appointed as Vice President for Finance on May 26, 2022. He is also the Senior Vice President for Finance of Alphaland Corporation and its subsidiaries and affiliates.

**CHARLES EDWARD M. CHENG**, *Corporate Information Officer, Compliance Officer, Corporate Secretary*

Atty. Cheng, 42 years old, was appointed as Corporate Information Officer, Compliance Officer and Corporate Secretary on 30 June 2021. He is also connected with Alphaland Corporation as Assistant to the Chairman and Sr. General Counsel. Immediately prior to joining the Company, Atty. Cheng served as Legal Counsel for Royal Dutch Shell PLC subsidiaries, including, among others, Shell Philippines Exploration B.V., Pilipinas Shell Petroleum Corporation and Shell Global Solutions International B.V. Before joining Shell, he was a Senior Associate in the Corporate and Special Projects Department of Villaraza Cruz Marcelo and Angangco (Carpio Villaraza Cruz). He finished his Bachelor of Science Degree in Management minor in Finance, Honorable Mention, from the Ateneo de Manila University and completed his L.I.B from the University of the Philippines College of Law in 2007, graduating with honors.

**B. Term of Office**

Under Article II, Section 1 of the Corporation's Amended By-Laws, the directors chosen by the stockholders of the Corporation entitled to vote at the annual meeting shall hold office for one (1) year until their successors are elected and shall have qualified.

**C. Directorships in Other Reporting Companies**

Mr. Roberto V. Ongpin also serves as Chairman of the Board of Alphaland Corporation.

Mr. Eric O. Recto is also a director of Dito CME Holdings Corp. (DITO). He is also an Independent Director of Aboitiz Power Corporation and Philippine H2O.

Dr. Walter W. Brown is also the Chairman of A Brown Company, Inc. and a Director of Philippine Realty & Holdings Corporation.

Ms. Anna Bettina Ongpin is a director and the Vice Chairman of Alphaland Corporation. She is also the Chairman and President of The City Club at Alphaland Makati Place, Inc. and a director and Chairman of Alphaland Balesin Island Club, Inc.

Mr. Michael Angelo Patrick M. Asperin is a director and Chief Operating Officer of Alphaland Corporation. He is also the Chief Executive Officer and Island Director of Alphaland Balesin Island Club, Inc.

Mr. Margarito B. Teves is also an Independent Director of Alphaland Corporation, Philweb Corporation, The City Club at Alphaland Makati Place, Inc., and Alphaland Balesin Island Club, Inc.

Mr. Dennis A. Uy is the Chairman of Phoenix Petroleum Philippines, Inc. (PNX), Chairman, of DITO CME Holdings Corp. (DITO, formerly ISM Communications) and the Chairman of PH Resorts Group Holdings, Inc. and Chelsea Logistics Holdings Corp. (CLC). He is also a director of Alphaland Corporation.



Shares of DITO, PBC, PNX, and CLC are all listed in the PSE. Shares of Alphaland Corporation, The City Club at Alphaland Makati Place, Inc. and Alphaland Balesin Island Club, Inc. are covered by Registration Statements filed with the SEC.

#### **D. Significant Employees**

The Company considers its subsidiaries' entire workforce as significant employees. Everyone is expected to work together as a team to achieve the Company's goals.

#### **E. Family Relationships**

Ms. Anna Bettina Ongpin is the daughter of Mr. Roberto V. Ongpin. Mr. Recto is the nephew of Mr. Ongpin. Mr. Recto and Ms. Ongpin are first cousins. Mr. Paul Francis B. Juat is the grandson of Mr. Walter W. Brown. Other than the foregoing, the persons nominated or chosen by the Company to become directors or executive officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

#### **F. Involvement in Certain Legal Proceedings**

1. *Atty. Zenaida Ongkiko-Acorda, as attorney-in-fact of Atty. Mario E. Ongkiko and in behalf of Philex Mining Corporation vs. Roberto V. Ongpin, et al., SEC Case No. 11-166, Branch 158, Regional Trial Court of Pasig.* This involves a "derivative suit" filed on behalf of Philex against RVO and other companies beneficially owned by RVO in connection with Section 23.2 of the Securities Regulation Code and in order to recover the "short-swing profits" which were allegedly realized from supposed transactions involving Philex shares. This case is in the trial stage. A related Petition for Review on Certiorari is also pending before the Supreme Court in G.R. No. 204166, entitled *Roberto V. Ongpin, et al. vs. Acorda, et al.* There is a Petition for Certiorari which is related to this case pending with the Court of Appeals docketed as CA-G.R. SP No. 159604 (entitled *Roberto V. Ongpin, et al. vs. Honorable Elma M. Rafallo-Lingan*, in her capacity as the presiding Judge of Branch 159 of the Regional Trial Court of Pasig City, et al.).
2. *People vs. Roberto V. Ongpin, et al., S.B.-13-CRM-0105 and S.B.-13-CRIM-0106, Sandiganbayan (Third Division).* This case was filed against RVO and others in connection with two loans obtained by Deltaventure Resources, Inc. (DVRI) from DBP. The Informations in both cases, respectively, for violations of Section 3 (e) of R.A. No. 3019 were filed on 10 January 2013. In a Resolution promulgated on 28 May 2014, the Third Division of the Sandiganbayan granted the Accused's Motions to Quash and DISMISSED Criminal Case Nos. S.B.-13-CRM-0105 and S.B.-13-CRIM-0106. A related Petition for Review on Certiorari is pending before the Supreme Court in G.R. Nos. 217417 and 217914, entitled "People of the Philippines v. Reynaldo G. David, et al."
3. *In the matter of: Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al., SEC-EIPD Case No. 14-3039.* This concerns the findings of the Enforcement and Investor Protection Department on the liability of respondents for violation of Section 26(3) of the Securities Regulation Code (SRC) in connection with the issuance of shares of Alphaland Corporation in a capital call, stock rights offering and property for share swap which were approved and ratified by respondents as officers and members of the Board of Alphaland Corporation. On August 24, 2015, Respondents elevated the matter through notice of appeal to the SEC En Banc, where the matter is presently pending resolution. The appeal is docketed as SEC En Banc Case No. 08-15-384, entitled "Roberto V. Ongpin, Mario A. Oreta, Margarito B. Teves, et al. vs. Enforcement and Investor Protection Department."
4. *In the Matter of: Philex Mining Corporation, SEC-EIPD Case No. 14-3044.* This concerns the findings of the Enforcement and Investor Protection Department against Mr. Roberto V.

Ongpin for allegedly committing Insider Trading when he purchased Philex shares at Php19.25 to Php 19.50 per share from the open market in the morning of 02 December 2009 without disclosing to the public that the group of Mr. Manuel V. Pangilinan had agreed to purchase the said shares from him at P21.00 per share. RVO appealed the case to the SEC En Banc but the latter affirmed the findings of the EIPD. Mr. Ongpin elevated the case to the Court of Appeals by way of a Petition for Review docketed as CA-G.R. SP. No. 146704, entitled "Roberto V. Ongpin v. Enforcement and Investor Protection Department". On December 1, 2017, the Court of Appeals issued a decision in favor of RVO, reversing the SEC and finding that RVO did not commit insider trading. EIPD filed a Motion for Reconsideration, which was denied by the Court of Appeals on July 2, 2018. EIPD elevated the case to the Supreme Court by way of a Petition for Review. On September 30, 2020, the Supreme Court issued a resolution dismissing the Petition for Review filed by the SEC-EIPD. A motion for reconsideration of the dismissal is pending resolution by the Supreme Court.

5. *Roberto V. Ongpin, Dennis O. Valdes, Cyrano A. Austria, and Michael M. Asperin vs. Enforcement and Investor Protection Department – Securities and Exchange Commission –* Petition for Review with Prayer for the Issuance of a Writ of Preliminary Injunction and/or Temporary Restraining Order and/or Stay Order was filed on January 26, 2021. The case remains pending.
6. *People of the Philippines vs. Dennis Ang Uy, John Does and/or Jane Does* - Regional Trial Court-Branch 14, Davao City, Criminal Case Nos. 75, 834-13 to 75, 845-13 and 76, 076-13. On August 27, 2013, The Department of Justice (DOJ) filed twelve (12) Informations before the Regional Trial Court of Davao against Mr. Dennis A. Uy and several John Does and/or Jane Does for alleged violations of Section 3602, in relation to Sections 3601, 2530 (I)(1), (3), (4), and (5), Sections 1801, 1802 of the Tariff and Customs Code of the Philippines. These provisions all pertain to unlawful importation of goods allegedly committed by Mr. Uy for the importation of petroleum products in the Philippines.

On September 5, 2013, Mr. Uy's Counsel filed an Omnibus Motion, which prayed, among others, for the dismissal of criminal case for lack of probable cause.

Additional ten (10) criminal informations were filed by the DOJ on September 11, 2013, pertaining to additional instances of the same violations under the TCCP. These additional informations all pertain to the alleged unlawful importation of goods for the importation of petroleum products. Hence, Mr. Uy's counsel filed a supplemental motion on September 19, 2013 for the dismissal of the 10 additional informations.

On October 4, 2013, the RTC issued an Order dismissing all the case against Mr. Uy. The trial court held that there was no probable cause based on evidence for Mr. Uy to be held on trial.

Subsequently, however, the plaintiff, People of the Philippines, filed a Motion for Reconsideration to reverse the dismissal of all criminal cases. On August 18, 2014, the RTC denied the motion for Reconsideration.

Thereafter, the plaintiff People of the Philippines filed a Petition for Certiorari with the Court of Appeals for the reversal of the dismissal Orders issued on October 4, 2013 and August 18, 2014. Please see case 6 below for status on the Petition for Certiorari.

6. *People of the Philippines vs. Hon. George E. Omello, in his capacity as Presiding Judge of the Davao City Regional Trial Court-Branch 14, Hon. Loida S. Posadas-Kahugan, in her capacity as Acting Presiding Judge of the Davao City RTC-Branch 14, Dennis Ang Uy, John Does and/or Jane Does, CA-G.R. SP No. 06500-MIN, Court of Appeals, Cagayan de Oro City, 23<sup>rd</sup> Division –* On October 27, 2014, the petitioner People of the Philippines filed a Petition for Certiorari

seeking the reversal of the Orders dated October 4, 2013 and August 18, 2014 issued by the trial court dismissing the criminal cases filed against Dennis Uy (under case 5) for having been issued with grave abuse of discretion amounting to lack or excess of jurisdiction, such that the issued orders were capricious, whimsical, or arbitrary.

Mr. Uy's counsel filed his Comment/Opposition to the said Petition for Certiorari, and the parties subsequently filed their respective Memoranda.

On October 12, 2016, the Court of Appeals issued a resolution denying the Petition for Certiorari filed by the People of the Philippines. The Court of Appeals ruled that "there is no showing that the error was capricious, whimsical or arbitrary. Further, the voluminous records evidence that the RTC's challenged Orders took careful account of the respective claims and defenses of the parties, as well as the evidence submitted. Such studious and studied consideration negates whimsically and arbitrariness.

Thus, on November 7, 2016, the People of the Philippines filed a Motion for Reconsideration of the Decision dated October 12, 2016, but said MR was denied on January 25, 2017.

*7. Dennis A. Uy vs. Hon. Secretary of the Department of Justice Leila M. De Lima and the Bureau of Customs, CA-G.R. SP No. 131702, Court of Appeals, Manila, Special Former Special Tenth Division* – In connection to the resolution of the DOJ to file criminal cases against Dennis Uy, Mr. Uy sought remedy to question the resolutions of the DOJ which found probable cause against him for the alleged violations of the TCCP.

Dennis A. Uy filed a Petition for Certiorari with the Court of Appeals on September 4, 2013 for the reversal of these resolutions.

On July 25, 2014, the Court of Appeals issued its Decision granting the Petition for Certiorari of Mr. Uy and declaring the Resolutions of the DOJ dated April 24, 2013 and August 13, 2013 nullified and set aside and directing that the Information filed against Dennis Uy withdrawn and/or dismissed for lack of probable cause.

Thereafter, a Motion for Reconsideration of the Court of Appeals Decision was filed by the DOJ and the Bureau of Customs. On July 23, 2015, the Court of Appeals issued its Resolution denying the Motion for Reconsideration of the DOJ and the Bureau of Customs.

Subsequently, the DOJ filed a Motion for Extension to file Petition for Review on Certiorari with the Supreme Court.

*8. Secretary of the Department of Justice Leila M. De Lima and Bureau of Customs vs. Dennis A. Uy, G.R. No. 219295-219296, Supreme Court, 2<sup>nd</sup> Division* – On October 8, 2015, respondent Dennis A. Uy received a copy of the Petition for Review on Certiorari dated September 8, 2015 filed by petitioners SOJ and Bureau of Customs seeking to set aside the Court of Appeals' Decision dated July 25, 2014 and July 23, 2015. The Supreme Court required the parties to file their respective Memoranda, which the parties complied with. On December 12, 2016, the Supreme Court issued its Notice of Resolution dated November 16, 2016 noting the parties Memoranda. As of the date, the Supreme Court has not yet issued any decision.

Other than the foregoing, the Corporation knows of no legal proceeding including without limitation any (a) bankruptcy petition, (b) conviction by final judgment, (c) order, judgment or decree, or (d) violation of a securities or commodities law, during the last five (5) years up to the date of the filing of this Statement, to which any of its Directors and Executive Officers is a party and which is material to an evaluation of their ability or integrity to act as such.

Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business,



securities, commodities or banking activities, nor found in action by any court of administrative bodies to have violated a securities or commodities law.

## Item 10. Executive Compensation

In the years 2020-2022 the Company gave directors per diem in the total amount of Php40,000.00 each, net of withholding taxes. Further, the directors and officers did not receive any compensation from the Corporation in the form of bonus, warrants, options, or participation in any profit-sharing plan in the years 2020-2022

There are no material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, directly or indirectly, for any services rendered as director.

There is no employment contract between the Company and a named executive officer.

There is no compensatory plan or arrangement between the Company and any executive officer in case of resignation, retirement or any other termination of the executive officer's employment with the Company, or from a change in the management control of the Corporation, or a change in the named executive officer's responsibilities following a change in the management control.

**The aggregate salaries of the CEO and the four highest compensated officers are as follows:**

(a) Name and Principal Position	(b) Year	(c) Salary	(d) Bonus	(e) Other Annual Comp
1. Roberto V. Ongpin Chairman/CEO				
2. Eric O. Recto President				
3. Marilyn G. De Guzman General Administration and Support Manager				
4. Haydee D. Gallarde Officer-in-Charge - ABSTC				

Aggregate Compensation of the Five  
Most Highly-Paid Executives  
including the CEO:

2018	988,000.00
2019	978,572.25
2020	996,891.99
2021	1,148,386.09
2022	1,124,500.00
2023 (projected)	1,170,000.00

## Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE BENEFICIAL OWNERSHIP	CITIZENSHIP	PERCENT OF CLASS
Common	Roberto V. Ongpin	1 (direct) 1,485,685,983 (indirect)	Filipino	58.38%
Common	Eric O. Recto	1 (direct) 289,532,821 (indirect)	Filipino	11.38%
Common	Dennis A. Uy	1,000 (direct) 100,000,000 (indirect)	Filipino	3.93%
Common	Walter W. Brown	1 (direct) 310,748,100 (indirect)	Filipino	12.21%
Common	Charles Edward M. Cheng	100 (direct)	Filipino	Nil
Common	Jose Raymund L. Apostol	100 (direct)	Filipino	Nil
Common	Michael Angelo Patrick M. Asperin	100 (direct)	Filipino	Nil
Common	John Peter Chick B. Castelo	102 (direct)	Filipino	Nil
Common	Paul Francis B. Juat	100 (direct)	Filipino	Nil
Common	Anna Bettina Ongpin	100 (direct)	Filipino	Nil
Common	Mario A. Oreta	1 (direct)	Filipino	Nil
Common	Margarito B. Teves	100 (direct)	Filipino	Nil
Common	Jeric P. Posio	198,000 (direct)	Filipino	0.01%
TOTAL		2,197,875,011		86.37%
Total Issued & Outstanding Shares		2,545,000,000		100.00%

Mr. Roberto V. Ongpin beneficially owns and controls Boerstar Corporation ("Boerstar"), which is the registered owner of approximately 69.75% of the Company. However, Mr. Eric O. Recto is also the beneficial owner of 289,532,821 common shares registered in the name of Boerstar, corresponding to approximately 11.38% of the Company as indicated above.

To the extent known to the Corporation, there is no person holding more than five percent (5%) of the Corporation's voting stock under a voting trust or similar agreement.

### Changes in Control

The Corporation is not aware of any change in control or arrangement that may result in a change in control of the Corporation during the period covered by this Statement.

## Item 12. Certain Relationships and Related Transactions

There are no transactions (or series of similar transactions) during the last two (2) years, with or involving the Company or its subsidiaries, in which a director, executive officer, or stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

stockholder owning ten percent (10%) or more of the total outstanding shares, or any member of his/her immediate family, had or will have a direct or indirect material interest.

#### **PART IV - CORPORATE GOVERNANCE**

The Integrated Annual Corporate Governance Report (I-ACGR) will be submitted by the Company pursuant to SEC Memorandum Circular No. 15, Series of 2017.

#### **PART V - EXHIBITS AND SCHEDULES**

##### **List of Items Reported under SEC Form 17-C, as amended (During the Last 6 Months)**

###### **March 2, 2023**

Appointment of Eric O. Recto as Chairman and Chief Executive Officer and Appointment of Rodolfo Ma. A. Ponferrada as Interim Director and President.

###### **February 6, 2023**

Announcement of the Death of Roberto Velayo Ongpin, Chairman and Chief Executive Officer.

###### **November 18, 2022**

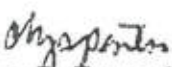
Voting Results to Approve the Amendment of the Articles of Incorporation by Written Assent Solicitation

#### **SIGNATORIES**

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Makati on \_\_\_\_\_.



**Rodolfo Ma. A. Ponferrada**  
President



**Cristina B. Zapanta**  
Senior Vice President - Finance



**Charles Edward M. Cheng**  
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S.S.

MAY 17 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ in Makati City by the affiants, personally known to me, who are the same persons who personally signed before me the foregoing Annual Report and acknowledged that they executed the same. Affiants, whose identities are personally known to me, exhibited to me their competent evidence of identity as follows:

Name	Competent Evidence of Identity
Rodolfo Ma. A. Ponferrada	TIN 215-793-472
Cristina B. Zapanta	TIN 102-116-723
Charles Edward M. Cheng	TIN 225-721-029

Doc. No. 258;  
Page No. 53;  
Book No. 10;  
Series of 2023.

ATTY. ROLANDO LAS PIÑAS  
Notary Public - City of Manila  
Notarial Commission No. 2023/016  
Until Dec. 31 2024  
240-C.A.H. Laeson St., Samp. Mla.  
Roll of Attorney No. 84035  
PTR No. 0822024/JAN 3, 2023/ MLA.  
IBP Membership No. 243549 / 06/20/2022  
MCLE Exempted G.B.O. 1s. 2008

# ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE 7232 AYALA AVENUE CORNER MALUGAY ST.,  
MAKATI CITY 1209 PHILIPPINES

TEL. NO. (632) 5337-2031 LOCAL 169  
FAX NO. (632) 5310-7100

## "STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS"

The management of **Atok-Big Wedge Co., Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible in overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



**ERIC O. RECTO**  
Chairman



**RODOLFO MA. A. RONFERRADA**  
President



**CRISTINA B. ZAPANTA**  
Senior Vice President for Finance



NOTARY PUBLIC  
2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ at Makati City,  
affiants exhibiting to me their respective identification documents, and personally known to  
me, follows:

NAME	COMPETENT EVIDENCE OF IDENTITY
Eric O. Recto	TIN NO. 108-730-891
Rodolfo Ma. A. Ponferrada	TIN NO. 215-793-472
Cristina B. Zapanta	TIN NO. 102-116-723

Doc. No. 226  
Page No. 47  
Book No. 14  
Series of 2023

ATTY. ROLANDO LAS PIÑAS  
Notary Public / City of Manila  
Notarial Commission No. 2023/016  
Until Dec. 31, 2024  
240 G.A.H. Lanson St., Samp. Mia.  
Roll of Attorneys No. 54035  
PTR No. 0622024 / Jan 3, 2023 / MLA  
IBF Membership No. 243549 / 06/20/2022  
MCLE Exempted G.B.O. 1s. 2008



**COVER SHEET**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

P W 4 2 7 - A

**COMPANY NAME**

A T O K - B I G W E D G E C O . , I N C . A N D S U B S I D I  
A R I E S

**PRINCIPAL OFFICE** (No./Street/Barangay/City/Town/Province)

A l p h a l a n d M a k a t i P l a c e , 7 2 3 2 A y a l a A  
v e n u e c o r n e r M a l u g a y S t r e e t , M a k a t i  
C i t y , M e t r o M a n i l a

Form Type

A A C F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

**COMPANY INFORMATION**

Company's Email Address

cmcheng@atok.com.ph

Company's Telephone Number/s

(632) 5337-2031

Mobile Number

0917-1004805

No. of Stockholders

4,179

Annual Meeting (Month / Day)

Last Friday of May

Fiscal Year (Month / Day)

12 / 31

**CONTACT PERSON INFORMATION**

The designated contact person MUST be an Officer of the Corporation.

Name of Contact Person

Ms. Cristina B. Zapanta

Email Address

cbzapanta@alphaland.com.ph

Telephone Number/s

(632) 5337-2031

Mobile Number

0908-8762265

**CONTACT PERSON'S ADDRESS**

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.

## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Atok-Big Wedge Co., Inc.  
Alphaland Makati Place  
7232 Ayala Avenue corner Malugay Street  
Makati City, Metro Manila

### *Opinion*

We have audited the accompanying consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2022, 2021 and 2020, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2022, 2021 and 2020 in accordance with Philippine Financial Reporting Standards (PFRS).

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of Matter*

We draw attention to Notes 1 and 7 to the consolidated financial statements concerning the delay in one of the planned drilling programs of Forum Energy Ltd., an associate of the Group, because of the suspension of the exploration activities in the West Philippine Sea on April 6, 2022. Our opinion is not modified with respect to this matter.

### *Key Audit Matter*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



#### Impairment Assessment of Investment in an Associate

The Group is required to review the carrying amount of its investment in an associate at each reporting date whenever there is any indication of impairment. The impairment assessment is significant to our audit since the carrying amount of the investment in an associate of ₱691.1 million is material to the consolidated financial statements as it represents 73.8% of the consolidated total assets as at December 31, 2022. Further, the impairment assessment involves management's judgment and estimate on recoverability of the investment which is significantly affected by the timing of the commencement and feasibility of the Associate's exploration projects, future market, economic conditions, and the outcome of territorial dispute in the West Philippine Sea.

Our audit procedures include, among others, the review of the assumptions used by the Group in the impairment assessment, in particular those involving the forecasted cash flows from the related service contract, commencement of exploration and the discount rate used. We also checked the adequacy of the Group's disclosures pertaining to the status of the Associate's significant exploration projects and the financial information of the Associate presented in Notes 1 and 7 to the consolidated financial statements.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.





*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Emmanuel V. Clarino.

REYES TACANDONG & Co.

EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 27455-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 9564558

Issued January 3, 2023, Makati City

May 15, 2023

Makati City, Metro Manila

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	P35,685,197	P93,846,057
Receivables	5	2,724,824	1,745,021
Advances to a stockholder	12	194,865,252	194,865,252
Other current assets	6	11,008,727	10,839,256
Total Current Assets		244,284,000	301,295,586
<b>Noncurrent Assets</b>			
Investment in an associate	7	691,063,887	541,013,886
Advances to mining right holders	1	1,525,000	1,525,000
Property and equipment	10	12,653	27,836
Total Noncurrent Assets		692,601,540	542,566,722
		P936,885,540	P843,862,308
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables and other current liabilities	11	P1,170,941	P1,087,791
Income tax payable		825	3,270
Total Current Liabilities		1,171,766	1,091,061
<b>Noncurrent Liability</b>			
Deferred tax liability	17	20,968	41,588
Total Liabilities		1,192,734	1,132,649
<b>Equity</b>			
Capital stock	13	1,354,023,160	1,354,023,160
Deficit		(633,789,103)	(634,816,028)
Other comprehensive income		215,458,749	123,522,527
Total Equity		935,692,806	842,729,659
		P936,885,540	P843,862,308

*See accompanying Notes to Consolidated Financial Statements.*



**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31		
	Note	2022	2021	2020
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	14	<b>P4,468,169</b>	<b>P5,338,223</b>	<b>P5,076,924</b>
<b>OTHER INCOME (CHARGES)</b>				
Share in net results of operations of an associate	7	2,861,936	(26,647,883)	(7,118,698)
Service fees		2,115,700	1,583,620	1,454,020
Interest income	4	616,802	132,423	428,882
Others – net		86,538	494,975	(1,424)
		<b>5,680,976</b>	<b>(24,436,865)</b>	<b>(5,237,220)</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		<b>1,212,807</b>	<b>(29,775,088)</b>	<b>(10,314,144)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	17			
Current		206,502	66,116	100,808
Deferred		(20,620)	41,588	–
		<b>185,882</b>	<b>107,704</b>	<b>100,808</b>
<b>NET INCOME (LOSS)</b>		<b>1,026,925</b>	<b>(29,882,792)</b>	<b>(10,414,952)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Item that will be reclassified subsequently to profit or loss -</i>				
Foreign exchange differences on translation of the financial statements of Tidemark Holdings Limited (Tidemark)	7	91,936,222	57,589,571	(50,491,466)
<i>Item that will not be reclassified subsequently to profit or loss -</i>				
Unrealized loss on valuation of equity investment designated as financial asset at fair value through other comprehensive income (FVOCI)	8	–	–	(2,152,285)
		<b>91,936,222</b>	<b>57,589,571</b>	<b>(52,643,751)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>P92,963,147</b>	<b>P27,706,779</b>	<b>(P63,058,703)</b>
<b>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE</b>	15	<b>P0.0004</b>	<b>(P0.0117)</b>	<b>(P0.0041)</b>

See accompanying Notes to Consolidated Financial Statements.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Years Ended December 31				
	Note	2022	2021	2020
<b>CAPITAL STOCK - ₱1 par value</b>				
	13			
Balance at beginning of year		₱1,354,023,160	₱1,060,000,000	₱1,060,000,000
Collection of subscription receivable		—	294,023,160	—
Balance at end of year		1,354,023,160	1,354,023,160	1,060,000,000
<b>DEFICIT</b>				
Balance at beginning of year		(634,816,028)	(604,933,236)	(594,518,284)
Net income (loss)		1,026,925	(29,882,792)	(10,414,952)
Balance at end of year		(633,789,103)	(634,816,028)	(604,933,236)
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Cumulative Translation Adjustment</b>				
	7			
Balance at beginning of year		125,522,477	67,932,906	118,424,372
Foreign exchange differences on translation of the financial statements of Tidemark		91,936,222	57,589,571	(50,491,466)
Balance at end of year		217,458,699	125,522,477	67,932,906
<b>Cumulative Valuation Loss on Equity Investment Designated as Financial Asset at FVOCI</b>				
	8			
Balance at beginning of year		(1,999,950)	(1,999,950)	152,335
Unrealized fair value loss		—	—	(2,152,285)
Balance at end of year		(1,999,950)	(1,999,950)	(1,999,950)
		215,458,749	123,522,527	65,932,956
		₱935,692,806	₱842,729,659	₱520,999,720

See accompanying Notes to Consolidated Financial Statements.

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

		Years Ended December 31		
	Note	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income (loss) before income tax		₱1,212,807	(₱29,775,088)	(₱10,314,144)
Adjustments for:				
Share in net results of operations of an associate	7	(2,861,936)	26,647,883	7,118,698
Interest income	4	(616,802)	(132,423)	(428,882)
Unrealized foreign exchange loss (gain)		(83,872)	(200,974)	30,387
Depreciation and amortization	10	15,183	19,997	11,848
Operating loss before working capital changes		(2,334,620)	(3,440,605)	(3,582,093)
Decrease (increase) in:				
Receivables		(979,803)	379,573	(395,189)
Other current assets		(167,577)	(278,288)	(276,102)
Increase (decrease) in payables and other current liabilities		83,150	(152,573)	235,358
Net cash used for operations		(3,398,850)	(3,491,893)	(4,018,026)
Interest received		616,802	132,423	428,882
Income tax paid		(210,841)	(255,906)	(175,727)
Net cash used in operating activities		(2,992,889)	(3,615,376)	(3,764,871)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to investment in an associate	7	(55,251,843)	(8,640,625)	(25,404,990)
Advances to a stockholder	12	–	(210,000,000)	–
Collection of advances to a stockholder		–	15,134,748	–
Additions to property and equipment		–	–	(45,550)
Net cash used in investing activities		(55,251,843)	(203,505,877)	(25,450,540)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Collection of subscription receivable	13	–	294,023,160	–
Advances from (payment to) stockholders		–	(7,621,500)	7,621,500
Net cash provided by financing activities		–	286,401,660	7,621,500
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(58,244,732)</b>	<b>79,280,407</b>	<b>(21,593,911)</b>
<b>EFFECT OF UNREALIZED FOREIGN EXCHANGE GAIN (LOSS) ON CASH AND CASH EQUIVALENTS</b>		<b>83,872</b>	<b>200,974</b>	<b>(30,387)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>93,846,057</b>	<b>14,364,676</b>	<b>35,988,974</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱35,685,197</b>	<b>₱93,846,057</b>	<b>₱14,364,676</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>				
Cash on hand and in banks	4	₱35,685,197	₱93,846,057	₱821,633
Short-term placements		–	–	13,543,043
		<b>₱35,685,197</b>	<b>₱93,846,057</b>	<b>₱14,364,676</b>

See accompanying Notes to Consolidated Financial Statements.

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**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2022 AND 2021 AND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 and 2020**

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**1. Corporate Matters**

**Corporate Information**

Atok-Big Wedge Co., Inc. (the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 3, 1931. The Parent Company's corporate life was extended on September 25, 1981. The Parent Company's primary purpose is to engage in the business of exploration and development of mining, oil, gas and other natural resources. As prescribed by the Revised Corporation Code of the Philippines, effective February 23, 2019, the Parent Company shall have a perpetual existence.

On August 2, 2022, the Board of Directors (BOD) approved the amendment of the Parent Company's primary purpose as stated in the Articles of Incorporation (AOI) to allow the Parent Company's expansion into renewable energy. This was ratified by the stockholders on November 11, 2022. As at December 31, 2022, the Parent Company is completing the documentary requirements in order to file the amendment of the AOI with the SEC.

The Parent Company listed its shares in the Philippine Stock Exchange (PSE) on January 8, 1948. As at December 31, 2022 and 2021, 953,963,474 of the Parent Company's common shares are listed in the PSE (see Note 13).

As at December 31, 2022 and 2021, the Parent Company is 69.8% owned by Boerstar Corporation, a holding company incorporated in the Philippines. The ultimate parent of the Group is Compact Holdings, Inc., a Philippine entity engaged in holding and investing activities.

As at December 31, 2022, 2021 and 2020, the Parent Company's wholly-owned subsidiaries are as follows:

Subsidiary	Place of Incorporation	Nature of Business
Tidemark Holdings Limited (Tidemark)	Hong Kong	Holding
AB Stock Transfers Corporation (ABSTC)	Philippines	Stock Transfer Agency

The Parent Company and its subsidiaries are collectively referred herein as "the Group."

As at December 31, 2022 and 2021, the Group, through Tidemark, has 20.0% interest in Forum Energy Ltd. (FEL), a private limited company organized in the United Kingdom. FEL is an associate of the Group.

FEL has interests in various service contracts as follows:

Service Contract	Interest
Service contract 40 (North Cebu)*	100.0%
Service contract 72 (Reed Bank)	70.0%
Service contract 14B-1 (North Matinloc)**	19.5%
Service contract 14B (Matinloc)**	12.4%
Service contract 14A (Nido)**	8.5%
Service contract 14C-1 (Galoc)	3.2%
Other service contracts	5.0% - 9.1%

\*Service contract 40 was plugged and abandoned in 2017

\*\* Service contracts 14-B-1, 14B, and 14A were plugged and abandoned from 2019 to 2020

The Parent Company's registered address and principal place of business is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila.

#### **Status of the Significant Exploration Projects of FEL (Associate Entity)**

*Service Contract 72 (Reed Bank).* FEL's principal asset is a 70.0% interest in Service Contract (SC) 72 which covers an area of 8,800 square kilometers in the West Philippine Sea. SC 72 is currently under Sub-Phase 2 of its exploration. The Department of Energy (DOE) granted *Force Majeure* to SC 72 work commitments suspending all exploration activities in the block due to the territorial dispute in the West Philippine Sea.

On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

On October 14, 2020, the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the *Force Majeure* to complete the Sub-Phase 2 work commitment.

On April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJGCC).

On October 11, 2022, the DOE again formally declared *Force Majeure* in SC 72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension has nullified all work done since the lifting of the *Force Majeure* in October 2020. Hence, SC 72 shall be entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were temporarily halted by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the *Force Majeure* was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC 72. Thus, once the *Force Majeure* is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub- Phase 2 of SC 72 prior to October 14, 2020.

*Service Contract 14C-1 (Galoc).* The Galoc Field produced a total of 565,084 barrels of oil in 2022 as compared to 630,250 barrels of oil in 2021. Cumulative production starting October 2008 up to reporting date is 23.98 million barrels of oil. The participating interest of FEL in SC 14-1 increased from 2.3% to 3.2% in 2021.

*Other Service Contracts.* FEL has participating interests in other service contracts including SC6A (Octon), SC6B (Bonita Block) and SC14C-2 (West Linapacan), among others, which are currently under exploration phase.

#### **Potential Acquisition of Certain Mining Rights**

The Parent Company entered into various Memoranda of Understanding (MOUs) for the potential acquisition of certain mining rights. Total advances to the mining right holders amounted to ₱1.5 million as at December 31, 2022 and 2021. In view of the prevailing regulatory environment, the Parent Company is continuously evaluating the feasibility of this potential acquisition.

#### **Stock Option Plan**

In 2015, the BOD approved the Stock Option Plan (SOP) which provides among others the allocation of no more than 5% of the authorized capital for the SOP; each grant is for three years and will vest 1/3 for each of the succeeding years; and the strike price shall not be less than 80% of the market value at the time of grant. This was ratified by the stockholders on May 31, 2016.

As at December 31, 2022, the Parent Company is still completing the requirements for the SEC's approval of the exemption from its registration requirements and the PSE's approval of the listing of the shares under the SOP. To date, no grants have been made under the SOP.

#### **Approval and Authorization for Issuance of Consolidated Financial Statements**

The consolidated financial statements as at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 were approved and authorized for issuance by the BOD on May 15, 2023, as reviewed and recommended for approval by the Audit Committee on the same date.

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## **2. Summary of Significant Accounting Policies**

### **Basis of Preparation**

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), and SEC provisions.

### **Measurement Bases**

The consolidated financial statements are presented in Philippine Peso (Peso), the Parent Company's functional currency. All values are rounded to the nearest Peso, except otherwise indicated.

The consolidated financial statements of the Group have been prepared on the historical cost basis of accounting, except for equity investment designated as financial asset at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair value is included in Note 18, *Financial Risk Management Objectives and Policies*.

#### **Adoption of Amendments to PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the relevant amendments to PFRS effective January 1, 2022:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The 'costs of fulfilling' a contract comprise the 'costs that relate directly to the contract'. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets).
- Annual Improvements to PFRS 2018 to 2020 Cycle:
  - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.
  - Amendment to PFRS 16 - *Lease Incentives* – The amendment removed from Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

The adoption of the foregoing amendments to PFRS did not have any material effect on the consolidated financial statements of the Group. Additional disclosures were included in the notes to consolidated financial statements, as applicable.

#### **Amendments to PFRS Issued But Not Yet Effective**

Relevant amendments to PFRS which are not yet effective and have not been applied in preparing the consolidated financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.” An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.
- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16 - *Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use (ROU) asset. For the subsequent measurement, the seller-lessee shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity’s right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.

- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Group shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Under prevailing circumstances, the adoption of the foregoing amendments to PFRS is not expected to have any material effect on the consolidated financial statements of the Group. Additional disclosures will be included in the consolidated financial statements, as applicable.

#### **Basis of Consolidation**

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries. Subsidiaries are entities controlled by the Parent Company. The Parent Company has control when it is exposed, or has right, to variable returns from its investment with the investee and it has the ability to affect those returns through its powers over the investee.

Subsidiaries are consolidated from the date of acquisition or incorporation, being the date on which the Parent Company obtains control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the controlling equity ownership (i.e., acquisition of non-controlling interest or partial disposal of interest over a subsidiary) that do not result in a loss of control are accounted for as equity transactions.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; or
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

*Functional and Presentation Currency* - The consolidated financial statements are presented in Peso, which is the Parent Company's functional currency. Each entity in the Group determines its own functional currency, which is the currency that best reflects the economic substance of the underlying transactions, events and conditions relevant to that entity, and items included in the financial statements of each entity are measured using that functional currency. When there is a change in those underlying transactions, events and conditions, the entity accounts for such change in accordance with the Group's policy on change in functional currency. At the reporting date, the assets and liabilities of Tidemark, a subsidiary whose functional currency is in United States Dollar (USD), are translated into the presentation currency of the Parent Company using the foreign exchange closing rate at the reporting date, components of equity using historical exchange rate, and the consolidated statement of comprehensive income are translated at the weighted average daily foreign exchange rates for the year. The exchange differences arising from translation are

taken directly to a separate component of equity under the "Cumulative Translation Adjustment" account. Upon disposal of the foreign entity, the cumulative translation adjustment shall be recognized in profit or loss.

*Transactions Eliminated on Consolidation* - All intra-group balances, transactions, income and expenses and unrealized gains and losses are eliminated in full.

*Accounting Policies of Subsidiaries* - The financial statements of subsidiaries are prepared for the same reporting year using uniform accounting policies as that of the Group.

#### **Current versus Noncurrent Classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within 12 months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

#### **Financial Assets and Liabilities**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Date of Recognition.* The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost. The Group has applied the practical expedient to measure at transaction price its accounts receivable from stock transfer services that do not contain a significant financing component.



*"Day 1" Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Group deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the "Day 1" difference.

*Classification.* The Group classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Group's business model for managing them.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2022 and 2021, the Group does not have financial assets and liabilities at FVPL and debt instruments measured at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

The Group's cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account) are classified under this category.

*Equity Investment Designated as Financial Asset at FVOCI.* On initial recognition, an equity instrument that is not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Changes in the fair value of this instrument is recognized in other comprehensive income and presented in the equity section of the consolidated statement of financial position. The cumulative gains or losses will not be reclassified to profit or loss upon disposal of the equity investment; instead, these will be transferred to deficit.



This category includes the Parent Company's investment in unquoted shares of stock.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

The Group's payables and other current liabilities (excluding statutory payables) are classified under this category.

#### **Reclassification**

The Group reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity investment that has been designated to be classified and measured at FVOCI may not be reclassified to a different category.

There were no reclassifications of financial assets in 2022 and 2021.

#### **Impairment of Financial Assets at Amortized Cost**

The Group records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group measures loss allowances at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

The 12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Accounts Receivable.* The Group has applied the simplified approach in measuring the ECL on accounts receivable from stock transfer services. Simplified approach requires that ECL should always be based on the lifetime ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

*Other Financial Instruments Measured at Amortized Cost.* For these financial instruments, the Group applies the general approach in determining ECL. The Group recognizes an allowance based on either the 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition.

#### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired;
- the Group retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Group could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

#### **Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

#### **Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Otherwise, the financial instrument is classified as equity.

#### **Value-Added Tax (VAT)**

Revenue, expenses and assets, except receivables and payables, are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authority is recognized under "Other current assets" account in the consolidated statement of financial position.

#### **Creditable Withholding Taxes (CWT)**

CWT represents the amount withheld by the Group's customers in relation to its income. CWT can be utilized as payment for income taxes provided that these are properly supported by certificates of creditable tax withheld at source subject to the rules on Philippine income taxation.

**Prepayments**

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to expense as these are consumed in operations or expire with the passage of time.

**Investment in an Associate**

The Group's investment in an associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control of those policies.

Under the equity method, investment in an associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the share of the results of operations of the associates. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

The share in net income or loss of the associate is shown as "Share in the net results of operations of an associate" account in the consolidated statement of comprehensive income.

The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over an associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

**Advances to Mining Right Holders**

Advances to mining right holders are amounts paid in advance for the potential acquisition of certain mining rights. These are carried at the amount of cash paid and are reclassified to the corresponding asset account when the mining rights for which the advances were made are ultimately acquired.

**Deferred Mining Exploration Cost**

Deferred mining exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Deferred mining exploration cost is no longer classified as such when the technical feasibility and commercial viability of extracting the mineral reserve are demonstrable. Deferred mining exploration cost is assessed for impairment, and any impairment loss is recognized, before reclassification to mineral reserves.

#### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Exploration equipment	3
Leasehold improvements	5 or lease term, whichever is shorter
Transportation equipment	5
Office equipment	3
Furniture and fixtures	4

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated items are retained as property and equipment until these are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

#### **Impairment of Nonfinancial Assets**

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount



of the asset is the higher of an asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization for property and equipment, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

#### **Derecognition of Nonfinancial Assets**

A nonfinancial asset is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of a nonfinancial asset is included in profit or loss in the period in which it is derecognized.

#### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued. Unpaid subscriptions are recognized as a reduction of subscribed capital if not collectible currently.

*Deficit.* Deficit represents the cumulative balance of results of operations.

*Other Comprehensive Income.* All resulting remeasurement differences arising from translation of financial statements of Tidemark and fair valuation of equity investment designated as financial asset at FVOCI are recognized in other comprehensive income or loss and accumulated in equity.

#### **Revenue Recognition**

The Group's revenue from contracts with customers primarily consists of fees from stock transfer services. Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Group has generally concluded that it is the principal in its revenue arrangements.

*Service Fees.* Fees from stock transfer services are recognized when the control of the services is transferred, which is the point in time when the related services are provided to the customers. The related contract balances is the accounts receivable which represents the Group's right to an amount of consideration that is unconditional i.e., only the passage of time is required before payment of the consideration is due.



The following specific recognition criteria must be met before other revenue items are recognized:

*Interest income.* Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

*Other Income.* Income from other sources is recognized when earned during the period.

#### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss upon receipt of goods, utilization of services or when the expenses are incurred.

#### **Basic and Diluted Earnings (Loss) per Share**

The Group presents basic and diluted earnings (loss) per share. Basic earnings (loss) per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Group and held as treasury shares, if any. Diluted earnings (loss) per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

#### **Leases – the Group as a Lessee**

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the Group has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset.

If the Group has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Group also assesses whether a contract contains a lease for each potential separate lease component.

*Short-term Lease and Lease of Low-value Assets.* The Group has elected not to recognize ROU assets and lease liabilities for short-term lease and lease of low-value assets. The Group recognized the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Short-term Employee Benefits**

The Group provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits.

The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

### **Income Taxes**

*Current Tax.* Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, and carry forward benefits of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and excess MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting year and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

*Offsetting.* Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Group plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **Foreign Currency Transactions**

Each entity in the Group determines its own functional currency and items included in the consolidated financial statements are measured using the Parent Company's functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### **Related Parties**

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the

reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligations between the Group and its related parties.

#### **Segment Reporting**

Operating segments are components of the Group: (a) that engage in business activities from which they may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the Group); (b) whose operating results are regularly reviewed by the Group's senior management, its chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately based on the nature of the business segment, with each business representing a strategic business segment.

#### **Provisions and Contingencies**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

#### **Events After the Reporting Date**

Post year-end events that provide additional information about the Group's consolidated financial position at the end of reporting year (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to consolidated financial statements when material.

#### **Comparatives**

When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

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### 3. Significant Judgments, Accounting Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

*Determination of Functional Currency.* Based on the economic substance of the underlying circumstances relevant to the Parent Company, the functional currency of the Parent Company has been determined to be the Peso, which is the primary economic environment in which the Parent Company operates.

*Determination of Reportable Operating Segments.* Determination of operating segments is based on the information about components of the Group that management uses to make decisions about the operating matters. Operating segments use internal reports that are regularly reviewed by the Parent Company's chief operating decision maker, which is defined to be the Parent Company's BOD, in order to allocate resources to the segment and assess its performance. The Group reports separate information about an operating segment that meets any of the following quantitative thresholds:

- a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10% or more of the combined revenue, internal and external, of all operating segments;
- b) the absolute amount of its reported profit or loss is 10% or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss; and
- c) the assets of the segment are 10% or more of the combined assets of all operating segments.

The Group determined that its operating segments are organized and managed separately based on the nature of the business segment, with each business representing a strategic segment.

As at December 31, 2022, 2021 and 2020 the Group's operating segments consist of its mining, exploration and development, and stock transfer agency activities.

### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Assessment of the ECL on Financial Assets at Amortized Cost.* The Group maintains allowance for ECL at a level considered adequate to provide for potential uncollectible financial assets.

### Accounts Receivable

The Group estimates ECL of accounts receivable using a provision matrix. The provision rates are based on days past due for groupings of accounts receivable with similar credit risk characteristics and loss patterns. The provision matrix is based on the Group's historical default rates and is adjusted for forward-looking estimates, as appropriate.

The amounts and timing of recorded expenses for any period would differ if different estimates and assumptions were made or different estimates were utilized. An increase in the allowance for ECL would increase the recognized expense and decrease current assets.

No provision for ECL was recognized on the Group's accounts receivable in 2022, 2021 and 2020. The carrying amount of accounts receivable is disclosed in Note 5.

### Other Financial Assets at Amortized Cost

Significant portion of the Group's other credit exposures from receivables (excluding accounts receivable and advances to officers and employees), advances to a stockholder as well as the refundable and security deposits are from its related parties. These financial assets are noninterest-bearing and payable on demand. These exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will have insufficient liquid assets to repay its obligation upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the financial asset. After taking into consideration the related parties' ability to pay depending on the sufficiency of liquid assets, credit enhancements and available forward-looking information, the risk of loss on exposures from the related parties are assessed to be minimal.

For cash and cash equivalents, the Group applies low credit risk simplification. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The resulting ECL for these financial assets is considered insignificant because the counterparty banks have no history of default and have good credit ratings.

Financial assets at amortized cost are considered as credit-impaired when contractual payments are 90 days past due and the counterparty is unlikely to settle its obligation to the Group, as evidenced by the following, among others:

- Significant financial difficulty or insolvency;
- Breach of financial covenants;
- Probability that the counterparty will enter bankruptcy or other financial reorganization.

No provision for ECL was recognized by the Group in 2022, 2021 and 2020 related to other financial assets at amortized cost. As at December 31, 2022 and 2021, allowance for impairment loss on credit-impaired receivables amounted to ₱41,550 (see Note 5).



The carrying amounts of the Group's financial assets at amortized cost that were subjected to impairment testing are disclosed in Note 18.

*Assessment for the Impairment on Investment in an Associate.* The Group assesses the impairment on investment in an associate whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Factors that the Group considers in deciding whether to perform impairment review of investment in an associate include the following, among others:

- A significant financial difficulty of the associate.
- A significant change in the technological, legal or economic environment in which the business operates.
- A significant decline in market value of the investment.
- A current-period loss combined with a history of losses or a projection of continuing losses associated with the investment.

The recoverability of the Group's investment in an associate is dependent on the results of operations of FEL. As discussed in Note 1, FEL encountered a delay in one of its drilling programs. In 2022, 2021 and 2020, management has assessed that no impairment loss should be recognized because the expected recoverable amount exceeds the carrying amount of the investment in an associate.

The carrying amount of the investment in an associate and other relevant information on the status of operations and impairment assessment are disclosed in Note 7.

*Assessment for the Recoverability of Input VAT.* The carrying amount of input VAT is adjusted to an extent that it is probable that sufficient taxable revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for unrecoverable portion of input VAT is maintained at a level considered adequate to provide for potentially unrecoverable portion. The level of allowance is based on past application experience, validity period and other factors that may affect realizability.

No impairment loss was recognized on input VAT in 2022, 2021 and 2020. The carrying amount of input VAT is disclosed in Note 6.

*Capitalization and Impairment Assessment of Exploration and Evaluation Expenditures.* The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at December 31, 2022 and 2021, deferred mining exploration costs amounting to P2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful (see Note 9).

*Recognition of Deferred Tax Assets.* At each reporting date, the carrying amount of deferred tax assets are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenue and expenses.

The Group did not recognize deferred tax assets on deductible temporary differences as disclosed in Note 17. Management has assessed that it is not probable that future taxable profit will be available in the near future against which the deferred tax assets on these temporary differences can be utilized.

#### 4. Cash

This account consists of:

	2022	2021
Cash on hand	<b>₱34,726</b>	₱24,726
Cash in banks	<b>35,650,471</b>	93,821,331
	<b>₱35,685,197</b>	₱93,846,057

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income recognized in the consolidated statements of comprehensive income amounted to ₱616,802, ₱132,423, ₱428,882 in 2022, 2021, and 2020, respectively.

#### 5. Receivables

This account consists of:

	Note	2022	2021
Receivables from:			
Related companies	12	<b>₱616,316</b>	₱750,946
Third parties		<b>191,660</b>	191,660
Accounts receivable		<b>1,163,823</b>	261,840
Advances to officers and employees		<b>784,878</b>	572,428
Others		<b>9,697</b>	9,697
		<b>2,766,374</b>	1,786,571
Less allowance for impairment losses		<b>(41,550)</b>	(41,550)
		<b>₱2,724,824</b>	₱1,745,021

Accounts receivable pertain to stock transfer services billed by ABSTC to its external clients. These are unsecured, noninterest-bearing and normally collected within 30 days from the date of billing.

Advances to officers and employees are unsecured, noninterest-bearing, and are subject to liquidation.

## 6. Other Current Assets

This account consists of:

	Note	2022	2021
Input VAT		<b>₱9,045,803</b>	₱8,854,368
Rental and security deposits	16	<b>1,382,572</b>	1,382,572
CWT		<b>454,520</b>	452,626
Prepayments		<b>105,396</b>	133,017
Others		<b>20,436</b>	16,673
		<b>₱11,008,727</b>	₱10,839,256

Prepayments consist of employees' medical insurance premiums which will expire within one year.

## 7. Investment in an Associate

Investment in an associate pertains to Tidemark's 20.0% ownership of FEL as at December 31, 2022 and 2021 (see Note 1).

Movements of this investment are as follows:

	2022	2021
<b>Cost</b>		
Balance at beginning of year	<b>₱901,966,491</b>	₱893,325,866
Additional investment	<b>55,251,843</b>	8,640,625
Balance at end of year	<b>957,218,334</b>	901,966,491
<b>Accumulated Share in Net Results of Operations</b>		
Balance at beginning of year	<b>(486,475,082)</b>	(459,827,199)
Share in net results of operations	<b>2,861,936</b>	(26,647,883)
Balance at end of year	<b>(483,613,146)</b>	(486,475,082)
<b>Cumulative Translation Adjustment</b>		
Balance at beginning of year	<b>125,522,477</b>	67,932,906
Foreign exchange differences	<b>91,936,222</b>	57,589,571
Balance at end of year	<b>217,458,699</b>	125,522,477
<b>Carrying Amount</b>	<b>₱691,063,887</b>	₱541,013,886

As discussed in Note 1, FEL encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. The permit, however has not yet been issued by the relevant government body because of territorial dispute between the Philippines and China.

On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

In November 2018, the Philippines and China entered into a MOU on Cooperation on Oil and Gas Development. Under the MOU, a Steering Committee shall be established which will create one or more inter-Entrepreneurial Working Groups that will agree on entrepreneurial, technical, and commercial aspects of cooperation in certain areas in the West Philippine Sea.

On December 21, 2018, FEL, through its subsidiary, Forum (GSEC 101) Limited, has sent a letter of request to the DOE to lift the Force Majeure imposed on SC 72.

On October 14, 2020, the *Force Majeure* over SC 72 was lifted. The work program and budget and annual procurement plan for 2022 and 2021 were approved by the DOE and FEL proceeded with drilling preparations and is progressing accordingly.

However, on April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the SJPCC.

In its April 8, 2022 reply to the DOE, FEL's representative expressed willingness to resume activities immediately. However, if no written confirmation from the DOE is received that FEL can resume its activities, FEL will consider the suspension of work issued by the DOE to be indefinite and a *Force Majeure* event that will entitle FEL to be excused from the performance of its respective obligations and to the extension of the exploration period under SC 72.

On October 11, 2022, the DOE granted the following: (i) the Declaration of *Force Majeure* for SC 72 from April 6, 2022 until such time as the same is lifted by the DOE, (ii) the inclusion of total expenses incurred as a result of the DOE directive to suspend activities as part of the approved recoverable costs, subject to DOE audit, and (iii) in addition to the period in item (i) above, FEL will be entitled to an extension of the exploration period under SC 72 corresponding to the number of days that the contractors spent in preparation for the activities that were temporarily halted by the DOE's suspension order on April 6, 2022.

Management has determined that there is no impairment loss to be recognized in 2022, 2021 and 2020 based on the most recent cash flow projections from FEL's service contracts.

The projections are mainly based on cash flows expected to be generated by SC 72 as approved by the management and are determined from feasibility studies and expectations on market development. Cash inflows consider the existing contracts and management's estimate of the average price per barrel of oil and revenue growth range. The cash flow projections were discounted using a rate that reflects current market assessments of time value of money and the risk specific to FEL. The status of other service contracts is also discussed in Note 1.

Following are the summarized financial information of FEL as at and for the years ended December 31, 2022, 2021 and 2020 (in millions):

	2022	2021	2020
Current assets	<b>₱44.8</b>	₱49.8	₱57.7
Noncurrent assets	<b>2,207.8</b>	1,746.2	1,509.4
Current liabilities	<b>1,047.6</b>	698.9	519.5
Noncurrent liabilities	<b>146.0</b>	139.9	7.0
Equity	<b>1,059.0</b>	957.2	1,040.6
Revenue	<b>74.1</b>	64.2	30.2
Net income (loss)/total comprehensive income (loss)	<b>14.3</b>	(133.2)	(35.6)

## 8. Equity Investment Designated as Financial Asset at FVOCI

This account pertains to the Parent Company's investment in unquoted shares of stock with an acquisition cost of ₱2.0 million.

Movements of this investment are as follows:

	2022	2021
<b>Cost</b>		
Balance at beginning and end of year	₱1,999,950	₱1,999,950
<b>Cumulative Fair Value Adjustment</b>		
Balance at beginning and end of year	(1,999,950)	(1,999,950)
<b>Carrying Amount</b>	<b>₱-</b>	<b>₱-</b>

Quoted market prices are not readily available. Fair value of the investment is determined based on net asset method. The fair value of the equity investment designated as financial asset at FVOCI is classified under Level 3 of the fair value hierarchy. Management has assessed that any reasonably possible changes in the key assumptions would result to changes in the fair value of the equity investment (see Note 18).

## 9. Deferred Mining Exploration Cost

The realizability of deferred mining exploration cost is dependent upon the success of future exploration and development activities in proving the mining property's viability to produce minerals in commercial quantities. As at December 31, 2022 and 2021, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful.

## 10. Property and Equipment

The composition of and movements in this account are as follows:

	2022					
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
<b>Cost</b>						
Balances at beginning and end of year	₱56,235	₱4,422,518	₱1,665,548	₱1,316,281	₱1,374,483	₱8,835,065
<b>Accumulated Depreciation and Amortization</b>						
Balances at beginning of year	56,235	4,422,518	1,665,548	1,288,445	1,374,483	8,807,229
Depreciation and amortization	-	-	-	15,183	-	15,183
Balances at end of year	56,235	4,422,518	1,665,548	1,303,628	1,374,483	8,822,412
<b>Carrying Amount</b>	<b>₱-</b>	<b>₱-</b>	<b>₱-</b>	<b>₱12,653</b>	<b>₱-</b>	<b>₱12,653</b>



	2021					
	Exploration Equipment	Leasehold Improvements	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
<b>Cost</b>						
Balances at beginning and end of year	P56,235	P4,422,518	P1,665,548	P1,316,281	P1,374,483	P8,835,065
<b>Accumulated Depreciation and Amortization</b>						
Balances at beginning of year	51,422	4,422,518	1,665,548	1,273,261	1,374,483	8,787,232
Depreciation and amortization	4,813	—	—	15,184	—	19,997
Balances at end of year	56,235	4,422,518	1,665,548	1,288,445	1,374,483	8,807,229
Carrying Amount	P—	P—	P—	P27,836	P—	P27,836

The cost of fully depreciated and amortized property and equipment still in use by the Group amounted to P8.8 million as at December 31, 2022 and 2021.

#### 11. Payables and Other Current Liabilities

This account consists of:

	Note	2022	2021
Payable to related companies	12	P41,510	P41,510
Accruals:			
Professional fees		330,845	297,996
Utilities and other office expenses		110,370	102,488
Salaries and employee benefits		31,240	47,113
Advances from officers and employees		368,924	368,924
Statutory payables		153,659	99,959
Retention payable		95,000	95,000
Others		39,393	34,801
		<b>P1,170,941</b>	<b>P1,087,791</b>

Payable to related companies, advances from officers and employees and retention payable are noninterest-bearing, due and demandable, and are payable in cash.

Accrued expenses, statutory and other payables are normally settled within the following month.

## 12. Related Party Transactions

The Group, in its regular conduct of business, has transactions with its related parties. The outstanding balances and amount of transactions with related parties are as follows:

	Note	Nature of Transaction	Transactions During the Year		Outstanding Balances		Terms and Conditions
			2022	2021	2022	2021	
<b>Receivable from related companies</b>	<b>5</b>						
<i>Entities under common management:</i>							
Alphaland Corporation		Service fee	₱180,000	₱182,030	₱—	₱—	Unsecured and noninterest-bearing, 30 days term for receivables from service fees; due on demand for other receivables
		Reimbursements	—	—	3,715	₱37,545	
Alphaland Heavy Equipment Corporation		Allocated costs	—	—	579,305	579,305	
The City Club at Alphaland Makati Place, Inc.		Service fee	180,000	180,000	—	33,600	
Alphaland Balesin Island Club, Inc.		Service fee	180,000	180,000	—	—	
		Reimbursements	—	16,800	32,500	99,700	
Alphaland Aviation Inc.		Reimbursements	—	—	796	796	
					<b>₱616,316</b>	<b>₱750,946</b>	
<b>Rental and security deposits</b>	<b>16</b>						
<i>Entities under common management:</i>							
Alphaland Southgate Tower, Inc. (ASTI)		Deposits in relation to a lease agreement	₱—	₱—	₱1,349,090	₱1,349,090	Unsecured and noninterest-bearing.
Alphaland Makati Place, Inc. (AMPI)			—	—	33,482	33,482	
					<b>₱1,382,572</b>	<b>₱1,382,572</b>	
<b>Payable to related companies</b>	<b>11</b>						
<i>Entities under common management:</i>							
AMPI		Lease of office space	₱—	₱39,395	₱7,736	₱7,736	Unsecured and noninterest-bearing, due on demand
ASTI		Reimbursements	—	—	33,774	33,774	
					<b>₱41,510</b>	<b>₱41,510</b>	
<b>Advances to a stockholder</b>							
Stockholder		Cash advances	₱—	₱210,000,000	₱194,865,252	₱194,865,252	Secured and noninterest-bearing, due on demand

In 2022, 2021, and 2020 the Group has not made any provision for impairment losses relating to the amounts owed by related parties.

On May 9, 2023, the Parent Company entered into an amended agreement with the stockholder to extend the payment of the advances until May 9, 2024.

Following are the intergroup balances presented under receivables account in the Parent Company's separate financial statements which were eliminated in the preparation of the consolidated financial statements:

	Nature of Transaction	Amount of Transactions		Outstanding Balance	
		2022	2021	2022	2021
<b>Receivable from related companies</b>					
Tidemark	Cash advances for investing and working capital requirements	₱55,301,642	₱8,657,220	₱89,640,951	₱34,339,309
ABSTC	Allocated rent, salaries, utilities and reimbursements	8,141	475,916	44,696	36,555
				<b>₱89,685,647</b>	<b>₱34,375,864</b>

Intergroup balances which were eliminated in the consolidated financial statements are unsecured, noninterest-bearing, due and demandable and are normally settled in cash.

### **Compensation of Key Management Personnel**

The compensation of the key management personnel is handled by AMPI, an entity under common management, at no cost to the Group.

## **13. Capital Stock**

The composition of the Parent Company's capital stock consisting of all common shares as at December 31, 2022 and 2021 is as follows:

	2022		2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>Authorized - P1.0 par value</b>	<b>10,000,000,000</b>	<b>P10,000,000,000</b>	<b>10,000,000,000</b>	<b>P10,000,000,000</b>
<b>Subscribed and issued</b>				
Balance at beginning and end of year	2,545,000,000	P2,545,000,000	2,545,000,000	P2,545,000,000
Less subscription receivable				
Balance at beginning of year	—	(1,190,976,840)	—	(1,485,000,000)
Collection	—	—	—	294,023,160
Balance at end of year	—	(1,190,976,840)	—	(1,190,976,840)
<b>Outstanding</b>	<b>2,545,000,000</b>	<b>P1,354,023,160</b>	<b>2,545,000,000</b>	<b>P1,354,023,160</b>

The Parent Company listed its shares in the PSE on January 8, 1948. As at December 31, 2022 and 2021, 953,963,474 of the Parent Company's shares are listed in the PSE (see Note 1).

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. As at December 31, 2022 and 2021, public ownership over the Parent Company is 14.10% and 13.64%, respectively.

As at December 31, 2022 and 2021, the Parent Company has 4,179 stockholders of record.

## **14. General and Administrative Expenses**

This account consists of:

	Note	2022	2021	2020
Salaries and wages		P1,428,304	P1,695,797	P1,293,405
Professional fees		1,346,288	1,584,777	1,726,067
PSE listing maintenance fee		577,148	765,217	1,056,544
Rent	16	346,601	346,601	346,601
Supplies		173,853	148,909	227,516
Utilities, dues and subscriptions		116,977	96,127	114,006
Transportation and travel		100,063	57,578	39,828
Representation		72,823	235,865	14,214
Communications		59,760	87,562	54,504
Taxes and licenses		58,561	78,495	119,170
Repairs and maintenance		41,330	2,890	—
Depreciation and amortization	10	15,183	19,997	11,848
Others		131,278	218,408	73,221
		<b>P4,468,169</b>	<b>P5,338,223</b>	<b>P5,076,924</b>

## 15. Basic and Diluted Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share is computed as follows:

	2022	2021	2020
Net income (loss) (a)	<b>₱1,026,925</b>	(₱29,882,792)	(₱10,414,952)
Weighted average number of outstanding shares (b)	<b>2,545,000,000</b>	2,545,000,000	2,545,000,000
Basic and diluted earnings (loss) per share (a/b)	<b>₱0.0004</b>	(₱0.0117)	(₱0.0041)

The Group has no dilutive potential common shares outstanding, therefore basic earnings (loss) per share is the same as diluted earnings (loss) per share.

## 16. Lease Agreements

The Group has an existing lease agreement with AMPI for its office space. The lease can be terminated by any party upon sixty (60) days advance written notice to the other party. The Group paid security deposit amounting to ₱33,482 (see Note 12).

The Parent Company is also being charged an annual rent for a leased storage facility located in Agusan Del Norte. The contract is renewable upon mutual agreement of the parties.

Rent expense recognized by the Group amounted to ₱346,601 in 2022, 2021 and 2020 (see Note 14).

As at December 31, 2022 and 2021, rental and security deposits relating to the Group's lease agreements amounted to ₱1.4 million, including a security deposit of ₱1.3 million for the cancelled office and parking space leases with ASTI (see Note 12).

## 17. Income Taxes

The provision for current income tax pertains to:

	2022	2021	2020
RCIT - ABSTC	<b>₱205,677</b>	₱62,846	₱100,808
MCIT - Parent Company	<b>825</b>	3,270	—
	<b>₱206,502</b>	₱66,116	₱100,808

Deferred tax liability amounting to ₱20,968 and ₱41,588 as at December 31, 2022 and 2021, respectively, arises from unrealized foreign exchange gain.

The deferred tax assets on the following deductible temporary differences were not recognized because management has assessed that it is not probable that there will be sufficient taxable profit against which the benefits of the deferred tax assets on these temporary differences can be utilized.

	Note	2022	2021
NOLCO		<b>₱10,851,846</b>	₱11,964,085
Accumulated impairment losses on:			
Deferred mining exploration cost	9	<b>2,613,940</b>	2,613,940
Receivables	5	<b>41,550</b>	41,550
MCIT		<b>4,095</b>	3,270
		<b>₱13,511,431</b>	₱14,622,845

As at December 31, 2022, the Parent Company has NOLCO which can be carried forward and claimed as deduction from future taxable income as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2022	₱—	₱3,250,247	₱—	₱3,250,247	2025
2021	3,650,053	—	—	3,650,053	2026
2020	3,951,546	—	—	3,951,546	2025
2019	4,362,486	—	(4,362,486)	—	2022
	<b>₱11,964,085</b>	<b>₱3,250,247</b>	<b>(₱4,362,486)</b>	<b>₱10,851,846</b>	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2022, the Parent Company's excess of MCIT over RCIT can be claimed as deduction against tax due as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2022	₱—	₱825	₱—	₱825	2025
2021	3,270	—	—	3,270	2024
	<b>₱3,270</b>	<b>₱825</b>	<b>₱—</b>	<b>₱4,095</b>	



The reconciliation between the provision for (benefit from) income tax computed at statutory income tax rate and provision for income tax at effective income tax rate is as follows:

	2022	2021	2020
Provision for (benefit from) income tax computed at statutory income tax rate	<b>₱248,097</b>	(₱7,493,248)	(₱3,094,243)
Add (deduct) tax effects of:			
Expired NOLCO	<b>1,090,622</b>	1,026,114	2,058,632
Share in net results of operation of an associate	<b>(715,484)</b>	6,661,971	2,135,609
Interest income already subjected to final tax	<b>(150,516)</b>	(32,381)	(128,664)
Nondeductible expenses	<b>11,366</b>	43,542	2,642
Effect of change in tax rate	—	765,737	—
Others	<b>(20,968)</b>	—	—
Changes in unrecognized deferred tax assets	<b>(277,235)</b>	(864,031)	(873,168)
Provision for income tax at effective tax rate	<b>₱185,882</b>	₱107,704	₱100,808

The Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act or RA No. 11534 was signed into law on March 26, 2021 and took effect on April 11, 2021 which reduced the RCIT from 30% to 25% or 20% depending on the amount of total assets and taxable income and MCIT rate from 2% to 1% starting July 1, 2020. The changes in income tax rates took effect retrospectively beginning July 1, 2020.

In 2020, the enactment of the CREATE Act was treated as a non-adjusting event and the current income tax rate used in preparing the 2020 consolidated financial statements is 30% RCIT and 2% MCIT, respectively. Hence, the impact of the change in income tax rate in 2020 was reflected in 2021.

In 2022 and 2021, the current income tax rate used in preparing the consolidated financial statements is 1% MCIT and 25% RCIT for the Parent Company and 20% RCIT for ABSTC.

## 18. Financial Risk Management Objectives and Policies

The Group's principal financial instruments consist of cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account), equity investment designated as financial asset at FVOCI, and payables and other current liabilities (excluding statutory payables).

The main purpose of the Group's dealings in financial instruments is to fund its operations and capital expenditures.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and detriment forecasted results. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The BOD reviews and institutes policies for managing each of the risks and these are summarized below.

### **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and other market prices will adversely affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to minimal transaction and translation exposures resulting from currency exchange fluctuations in relation to its financial instruments. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency denominated assets and liabilities.

### **Credit Risk**

Credit risk is a risk wherein a counterparty fails to meet its obligations. When the counterparty defaults, the maximum exposure is generally equal to the carrying amount of the related financial asset. The Group's credit risk arises principally from cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account).

The Group trades only with recognized and creditworthy third parties as well as with related parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the Group only deals with financial institutions duly evaluated and approved by the BOD.

The table below shows the credit quality per class of financial assets as at December 31, 2022 and 2021.

	2022					
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	P35,650,471	P—	P—	P—	P—	P35,650,471
Receivables*	1,939,946	—	—	—	41,550	1,981,496
Advances to a stockholder	—	—	—	194,865,252	—	194,865,252
Rental and security deposits**	1,382,572	—	—	—	—	1,382,572
	P38,972,989	P—	P—	P194,865,252	P41,550	P233,879,791

\* Excluding advances to officers and employees.

\*\* Presented under "Other current assets" account.

	2021					
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	Total
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	P93,821,331	P—	P—	P—	P—	P93,821,331
Receivables*	665,579	84,040	61,600	361,374	41,550	1,214,143
Advances to a stockholder	194,865,252	—	—	—	—	194,865,252
Rental and security deposits**	1,382,572	—	—	—	—	1,382,572
	P290,734,734	P84,040	P61,600	P361,374	P41,550	P291,283,298

\* Excluding advances to officers and employees.

\*\* Presented under "Other current assets" account.

The credit quality of the financial assets is managed by the Group using internal credit quality ratings.

High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties with sufficient liquid assets to settle its obligation upon demand of the Group. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that require persistent effort from the Group to collect are considered substandard grade accounts.

Cash in banks are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Group considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Receivables and rental and security deposits are mainly exposures to related parties and are considered as high grade because the related parties are part of a group with sufficient liquid assets to repay the receivables upon demand by the Group. Advances to a stockholder are secured and therefore assessed to be collectible.

With the exception of accounts receivable from stock and transfer services and past due financial assets which are subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not significant based on the foregoing discussions.

#### **Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The Group's payable to related companies and advances from officers and employees aggregating ₱410,434 as at December 31, 2022 and 2021, respectively, are due and demandable. The remaining balance of payables and other current liabilities (excluding statutory payables) amounting to ₱606,848 and ₱577,398 as at December 31, 2022 and 2021, respectively, have a maturity of less than three months.

### **Fair Value Measurement**

The table below presents the financial assets and liabilities of the Group whose carrying amounts approximate its fair values primarily due to the short-term and demandable nature of the financial instruments:

	2022	2021
<b>Financial Assets at Amortized Cost</b>		
Cash	<b>₱35,685,197</b>	₱93,846,057
Receivables*	<b>1,939,946</b>	1,172,593
Advances to a stockholder	<b>194,865,252</b>	194,865,252
Rental and security deposits**	<b>1,382,572</b>	1,382,572
	<b>₱233,872,967</b>	₱291,266,474
<b>Financial Liabilities at Amortized Cost</b>		
Payables and other current liabilities***	<b>₱1,017,282</b>	₱987,832

\* Excluding advances to officers and employees.

\*\* Presented under "Other current assets" account.

\*\*\* Excluding statutory payables.

*Equity Investment Designated as Financial Asset at FVOCI.* Fair value of equity investment designated as financial asset at FVOCI is determined using the adjusted net asset method. Adjusted net asset method focuses on an entity's net asset value or the fair market value of its total assets minus total liabilities to determine what it would cost to recreate the business. This fair value measurement approach is categorized under Level 3 of the fair value hierarchy (significant unobservable inputs). Increase (decrease) in the investee's net assets will result to a higher (lower) fair value. There were no changes in the fair value hierarchy.

### **Capital Management Policy**

The primary objective of the Group's capital management is to ensure its ability as a going concern and that it maintains healthy capital ratios in order to support its business operations and maximize shareholder value.

The Group considers its equity amounting to ₱935.7 million and ₱842.8 million as at December 31, 2022 and 2021, respectively, as capital employed.

The Group monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total equity comprises all components of equity.

The debt-to-equity ratios as at December 31 are as follows:

	2022	2021
Total debt	<b>₱1,192,734</b>	₱1,132,649
Total equity	<b>935,692,806</b>	842,729,659
	<b>0.001:1</b>	0.001:1

The Group manages its capital structure and makes adjustments to it when there are changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust its borrowings or raise capital. No changes were made in the objectives, policies or processes in 2022 and 2021.

## 19. Segment Information

A segment is a distinguishable component of the Group that is engaged either in providing types of services (business segment) or in providing the services within a particular economic environment (geographic segment).

The table below present financial information on business segments as at and for the years ended December 31, 2022, 2021 and 2020:

2022				
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
<b>Segment Revenue</b>				
Revenue from external customers	P=	P2,115,700	P=	P2,115,700
Interest income	543,104	73,698	—	616,802
Income from other segments	—	180,000	(180,000)	—
Other income	83,872	2,666	—	86,538
Share in net results of operations of an associate	2,861,936	—	—	2,861,936
	3,488,912	2,372,064	(180,000)	5,680,976
Depreciation and amortization	—	(15,183)	—	(15,183)
Other general and administrative expense	(3,378,190)	(1,254,796)	180,000	(4,452,986)
Benefit from (provision for) income tax	19,795	(205,677)	—	(185,882)
<b>Segment Operating Profit</b>	<b>P130,517</b>	<b>P896,408</b>	<b>P=</b>	<b>P1,026,925</b>
<b>Segment Assets</b>	<b>P2,143,638,487</b>	<b>P4,192,557</b>	<b>(P1,210,945,504)</b>	<b>P936,885,540</b>

2021				
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
<b>Segment Revenue</b>				
Revenue from external customers	P=	P1,583,620	P=	P1,583,620
Interest income	117,925	14,498	—	132,423
Income from other segments	—	180,000	(180,000)	—
Other income	493,353	1,622	—	494,975
Share in net results of operations of an associate	(26,647,883)	—	—	(26,647,883)
	(26,036,605)	1,779,740	(180,000)	(24,436,865)
Depreciation and amortization	(4,813)	(15,184)	—	(19,997)
Other general and administrative expense	(4,146,406)	(1,351,820)	180,000	(5,318,226)
Provision for income tax	(44,858)	(62,846)	—	(107,704)
<b>Segment Operating Profit (Loss)</b>	<b>(P30,232,682)</b>	<b>P349,890</b>	<b>P=</b>	<b>(P29,882,792)</b>
<b>Segment Assets</b>	<b>P1,999,118,528</b>	<b>P3,148,937</b>	<b>(P1,158,405,157)</b>	<b>P843,862,308</b>

2020				
	Mining, Exploration and Development	Stock Transfer Agency	Eliminations	Total
<b>Segment Revenue</b>				
Revenue from external customers	P=	P1,454,020	P=	P1,454,020
Interest income	403,308	25,574	—	428,882
Income from other segments	—	180,000	(180,000)	—
Other charges	—	(1,424)	—	(1,424)
Share in net results of operations of an associate	(7,118,698)	—	—	(7,118,698)
	(6,715,390)	1,658,170	(180,000)	(5,237,220)
Depreciation and amortization	(4,811)	(7,037)	—	(11,848)
Other general and administrative expense	(3,955,543)	(1,289,533)	180,000	(5,065,076)
Provision for income tax	—	(100,808)	—	(100,808)
<b>Segment Operating Profit (Loss)</b>	<b>(P10,675,744)</b>	<b>P260,792</b>	<b>P=</b>	<b>(P10,414,952)</b>
<b>Segment Assets</b>	<b>P1,650,108,780</b>	<b>P2,914,217</b>	<b>(P1,123,161,413)</b>	<b>P529,861,584</b>





**REPORT OF INDEPENDENT AUDITORS'  
ON SUPPLEMENTARY SCHEDULE  
OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Atok-Big Wedge Co., Inc.  
Alphaland Makati Place  
7232 Ayala Avenue corner Malugay Street  
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group) as at December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021 and 2020, and have issued our report thereon dated May 15, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021, and for the years ended December 31, 2022, 2022 and 2021, and no material exceptions were noted.

**REYES TACANDONG & Co.**

  
EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 27455-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 9564558

Issued January 3, 2023, Makati City

May 15, 2023  
Makati City, Metro Manila



## REPORT OF INDEPENDENT AUDITORS' ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors  
Atok-Big Wedge Co., Inc.  
Alphaland Makati Place  
7232 Ayala Avenue corner Malugay Street  
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Atok-Big Wedge Co., Inc. and Subsidiaries (the Group) as at December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021 and 2020, and have issued our report thereon dated May 15, 2023. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary schedules are the responsibility of the Group's management. These supplementary schedules include the following:

- Schedules required by paragraph 6 Part II of the Revised Securities Regulation Code (SRC) Rule 68
- Parent Company's Reconciliation of Retained Earnings Available for Dividend Declaration
- Map of Group Structure

These supplementary schedules are presented for purposes of complying with the Revised SRC Rule 68, and are not part of the consolidated financial statements. The supplementary information have been subjected to the auditing procedures applied in the audit of the consolidated financial statements, including comparing such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves. In our opinion, the supplementary information is fairly stated in all material respect in relation to the consolidated financial statements taken as a whole.

**REYES TACANDONG & Co.**

  
EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 27455-SEC Group A

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Issued January 3, 2023, Makati City

May 15, 2023

Makati City, Metro Manila

**ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES**  
**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**  
**AS AT DECEMBER 31, 2022 AND 2021**

Ratio	Formula	2022	2021
Current ratio	Total Current Assets	<b>₱244,284,000</b>	₱301,295,586
	Divided by: Total Current Liabilities	<b>1,171,766</b>	1,091,061
		<b>208.48:1</b>	276.15:1
Acid test ratio	Total Current Assets	<b>₱244,284,000</b>	₱301,295,586
	Less: Other Current Assets	<b>11,008,727</b>	10,839,256
	Quick Assets	<b>233,275,273</b>	290,456,330
	Divide by: Total Current Liabilities	<b>1,171,766</b>	1,091,061
		<b>199.08:1</b>	266.21:1
Solvency ratio	Net Income (Loss) Before Depreciation and Amortization and Income Tax	<b>₱1,227,990</b>	(₱29,755,091)
	Divide by: Total Liabilities	<b>1,192,734</b>	1,132,649
		<b>1.03:1</b>	(26.27):1
Debt-to-equity ratio	Total Liabilities	<b>₱1,192,734</b>	₱1,132,649
	Divide by: Total Equity	<b>935,692,806</b>	842,729,659
		<b>0.001:1</b>	0.001:1
Asset-to-equity ratio	Total Assets	<b>₱936,885,540</b>	₱843,862,308
	Divide by: Total Equity	<b>935,692,806</b>	842,729,659
		<b>1.00:1</b>	1.00:1

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES  
SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PAR. 6 PART II OF  
THE REVISED SRC RULE 68  
DECEMBER 31, 2022

Table of Contents

<i>Schedule</i>	<i>Description</i>	<i>Page</i>
A	Financial Assets	N/A
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	Long-Term Debt	N/A
E	Indebtedness to Related Parties	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	3

*A - The Group's equity investment designated as financial asset at fair value through other comprehensive income does not exceed five percent (5%) of the total current assets. There are no financial assets measured at fair value through profit or loss and investment securities measured at amortized cost.*

*D - No long term debt*

*E - Total indebtedness to related parties does not exceed five percent (5%) of total assets*

*F - No guarantees of securities of other issuers*

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)  
DECEMBER 31, 2022

	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Collections	Write Off	Current	Noncurrent	
Related Party							
Stockholder	P194,865,252	P--	P--	P--	P194,865,252	P--	P194,865,252

Advances to a stockholder is secured, noninterest-bearing and payable on demand.



ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION  
OF FINANCIAL STATEMENTS  
DECEMBER 31, 2022

Related Party	Balance at beginning of period	Additions	Deductions		Ending Balance		Balance at end of period
			Collections	Write Off	Current	Noncurrent	
Tidemark Holdings Limited	P34,339,309	P55,301,642	P-	P-	P89,640,951	P-	P89,640,951
AB Stock Transfers Corporation	36,555	8,141	-	-	44,696	-	44,696
	P34,375,864	P55,309,783	P-	P-	P89,685,647	P-	P89,685,647

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

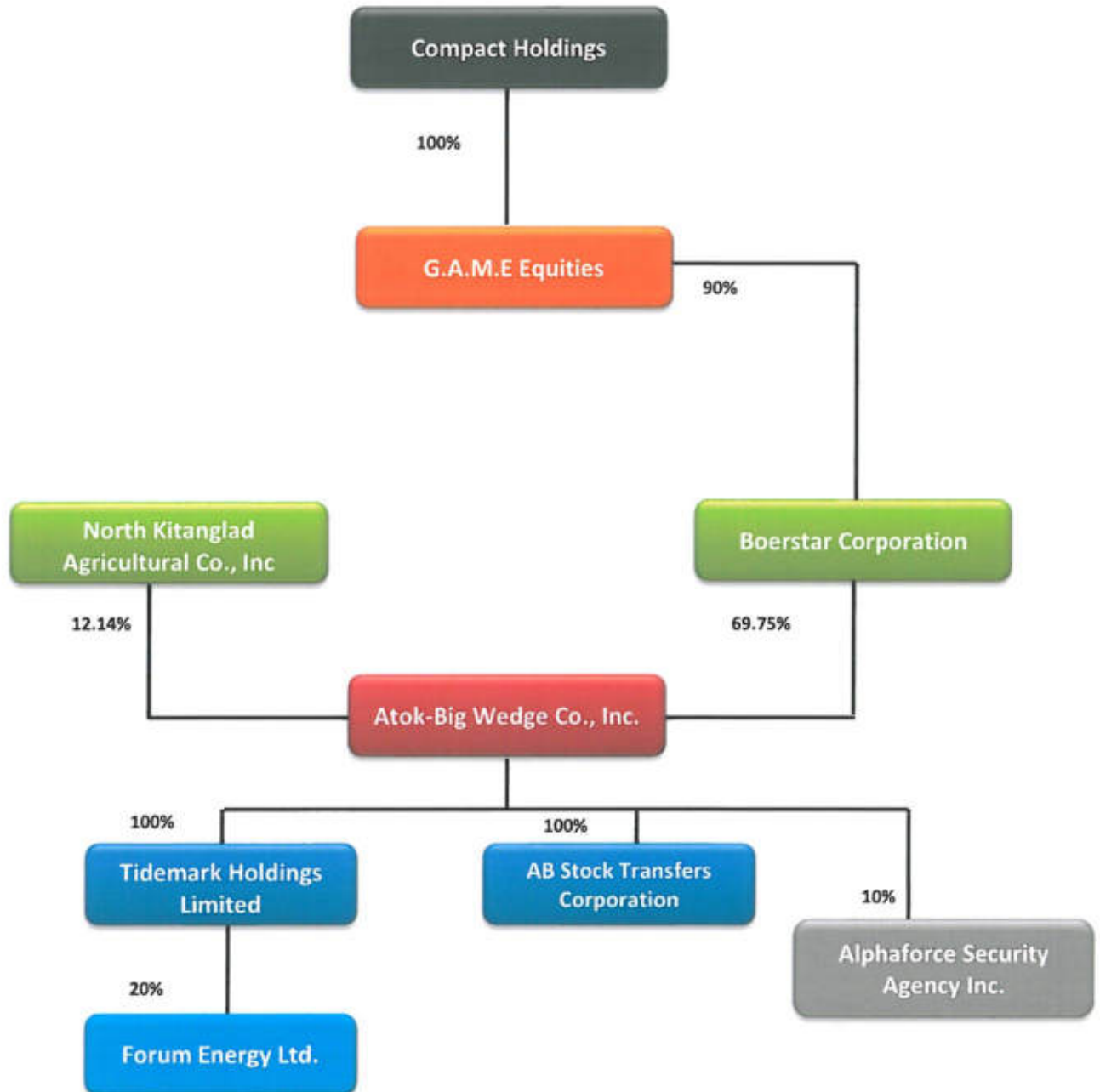
SCHEDULE G - CAPITAL STOCK

DECEMBER 31, 2022

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under the statement of financial position caption			Number of shares reserved for options, warrants, conversion & other rights	Number of shares held by		
		Paid-up	Subscribed	Total		Related parties	Directors, officers and employees	Public
Common stock - \$1 par value per share	10,000,000,000	1,262,963,474	1,282,036,526	2,545,000,000	—	2,185,966,904	199,706	358,833,390

ATOK-BIG WEDGE CO., INC. AND SUBSIDIARIES

MAP OF GROUP STRUCTURE  
DECEMBER 31, 2022



ATOK-BIG WEDGE CO., INC.

SUPPLEMENTARY SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
DECEMBER 31, 2022

Deficit as shown in the separate financial statements, at beginning of year	₱374,149,893
Adjustment for:	
Impairment loss on investment in a subsidiary	(223,495,475)
Deficit, as adjusted, at beginning of year	150,654,418
Net loss closed to deficit	2,731,419
<b>Deficit, as adjusted, at end of year</b>	<b>₱153,385,837</b>

# ATOK-BIG WEDGE CO., INC.

ALPHALAND MAKATI PLACE 7232 AYALA AVENUE CORNER MALUGAY ST.,  
MAKATI CITY 1209 PHILIPPINES

TEL. NO. (632) 5337-2031 LOCAL 169  
FAX NO. (632) 5310-7100

## "STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR SEPARATE FINANCIAL STATEMENTS"

The management of **Atok-Big Wedge Co., Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible in overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



**ERIC O. RECTO**  
Chairman



**RODOLFO MA. A. PONFERRADA**  
President



**CRISTINA B. ZAPANTA**  
Senior Vice President for Finance



MAY 15 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ at Makati City,  
affiants exhibiting to me their respective identification documents, and personally known to  
me, follows:

NAME	COMPETENT EVIDENCE OF IDENTITY
Eric O. Recto	TIN NO. 108-730-891
Rodolfo Ma. A. Ponferrada	TIN NO. 215-793-472
Cristina B. Zapanta	TIN NO. 102-116-723

Doc. No. 225  
Page No. 46  
Book No. 16  
Series of 2023

ATTY. ROLANDO LAS PIÑAS  
Notary Public, City of Manila  
Notarial Commission No. 2023/016  
Expiry Date: 11/2024  
24041 A la Fianza, Samp. Mla.  
Philid. Angeles No. 84035  
NOTE No. 08/2024/041/3, 2023/MLA  
JEP Membership No. 240749 / 06/20/2022  
MCLE Exempted G.E.O. 1s. 2008

# COVER SHEET

## for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W 4 2 7 - A

### COMPANY NAME

A T O K - B I G W E D G E C O . , I N C .

### PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

A l p h a l a n d M a k a t i P l a c e , 7 2 3 2 A y a l a A  
v e n u e c o r n e r M a l u g a y S t r e e t , M a k a t i  
C i t y , M e t r o M a n i l a

Form Type

A A S F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

### COMPANY INFORMATION

Company's Email Address

cmcheng@atok.com.ph

Company's Telephone Number/s

(632) 5537-2031

Mobile Number

0917-1004805

No. of Stockholders

4,179

Annual Meeting (Month / Day)

Last Friday of May

Fiscal Year (Month / Day)

12 / 31

### CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation.

Name of Contact Person

Ms. Cristina B. Zapanta

Email Address

cbzapanta@alphaland.com.ph

Telephone Number/s

(632) 5337-2031

Mobile Number

0908-8762265

### CONTACT PERSON'S ADDRESS

Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Atok-Big Wedge Co., Inc.  
Alphaland Makati Place  
7232 Ayala Avenue corner Malugay Street  
Makati City, Metro Manila

### Report on the Audit of the Separate Financial Statements

#### *Opinion*

We have audited the accompanying separate financial statements of Atok-Big Wedge Co., Inc., (the Company) which comprise the separate statements of financial position as at December 31, 2022 and 2021, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years ended December 31, 2022, 2021 and 2020, and notes to separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2022 and 2021, and its separate financial performance and its separate cash flows for the years ended December 31, 2022, 2021 and 2020 in accordance with Philippine Financial Reporting Standards (PFRS).

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter*

We draw attention to Notes 1 and 7 to the separate financial statements concerning the delay in one of the planned drilling programs of Forum Energy Ltd., an associate of a subsidiary, because of the suspension of the exploration activities in the West Philippine Sea on April 6, 2022. Our opinion is not modified with respect to this matter.



*Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditors' Responsibilities for the Audit of the Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on the Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information for the year ended December 31, 2022 required by the Bureau of Internal Revenue under Revenue Regulations No. 15-2010 as disclosed in Note 19 to the separate financial statements is presented for purposes of additional analysis and is not a required part of the basic separate financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of the management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

**REYES TACANDONG & CO.**

  
EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 27455-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

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PTR No. 9564558

Issued January 3, 2023, Makati City

May 15, 2023

Makati City, Metro Manila

**ATOK-BIG WEDGE CO., INC.**  
**SEPARATE STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	4	P32,452,684	P90,946,246
Receivables	5	91,245,436	35,703,318
Advances to a stockholder	12	194,865,252	194,865,252
Other current assets	6	10,416,206	10,211,521
Total Current Assets		328,979,578	331,726,337
<b>Noncurrent Assets</b>			
Investments in subsidiaries	7	645,594,228	645,594,228
Advances to mining right holders	1	1,525,000	1,525,000
Total Noncurrent Assets		647,119,228	647,119,228
		P976,098,806	P978,845,565
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables and other current liabilities	11	P935,116	P927,391
Income tax payable		825	3,270
Total Current Liabilities		935,941	930,661
<b>Noncurrent Liability</b>			
Deferred tax liability	17	20,968	41,588
Total Liabilities		956,909	972,249
<b>Equity</b>			
Capital stock	13	1,354,023,160	1,354,023,160
Deficit		(376,881,313)	(374,149,894)
Cumulative unrealized fair value loss on equity investment	8	(1,999,950)	(1,999,950)
Total Equity		975,141,897	977,873,316
		P976,098,806	P978,845,565

*See accompanying Notes to Separate Financial Statements.*



**ATOK-BIG WEDGE CO., INC.**  
**SEPARATE STATEMENTS OF COMPREHENSIVE INCOME**

		Years Ended December 31		
	Note	2022	2021	2020
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	14	<b>(P3,378,191)</b>	<b>(P4,151,219)</b>	<b>(P3,960,354)</b>
<b>INTEREST INCOME</b>	4	<b>543,105</b>	<b>117,925</b>	<b>403,308</b>
<b>FOREIGN EXCHANGE GAIN</b>		<b>83,872</b>	<b>493,353</b>	<b>—</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(2,751,214)</b>	<b>(3,539,941)</b>	<b>(3,557,046)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	17			
Current		825	3,270	—
Deferred		(20,620)	41,588	—
		<b>(19,795)</b>	<b>44,858</b>	<b>—</b>
<b>NET LOSS</b>		<b>(2,731,419)</b>	<b>(3,584,799)</b>	<b>(3,557,046)</b>
<b>OTHER COMPREHENSIVE LOSS</b>				
<i>Item that will not be reclassified subsequently to profit or loss -</i>				
Unrealized loss on valuation of equity investment	8	—	—	(2,152,285)
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(P2,731,419)</b>	<b>(P3,584,799)</b>	<b>(P5,709,331)</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b>	15	<b>(P0.0011)</b>	<b>(P0.0014)</b>	<b>(P0.0014)</b>

*See accompanying Notes to Separate Financial Statements.*

**ATOK-BIG WEDGE CO., INC.**

**SEPARATE STATEMENTS OF CHANGES IN EQUITY**

		Years Ended December 31		
	Note	2022	2021	2020
<b>CAPITAL STOCK - P1 par value</b>				
	13			
Balance at beginning of year		<b>P1,354,023,160</b>	P1,060,000,000	P1,060,000,000
Collection of subscription receivable		–	294,023,160	–
Balance at end of year		<b>1,354,023,160</b>	1,354,023,160	1,060,000,000
<b>DEFICIT</b>				
Balance at beginning of year		<b>(374,149,894)</b>	(370,565,095)	(367,008,049)
Net loss		<b>(2,731,419)</b>	(3,584,799)	(3,557,046)
Balance at end of year		<b>(376,881,313)</b>	(374,149,894)	(370,565,095)
<b>CUMULATIVE VALUATION LOSS ON EQUITY INVESTMENT</b>				
	8			
Balance at beginning of year		<b>(1,999,950)</b>	(1,999,950)	152,335
Unrealized fair value loss		–	–	(2,152,285)
Balance at end of year		<b>(1,999,950)</b>	(1,999,950)	(1,999,950)
		<b>P975,141,897</b>	P977,873,316	P687,434,955

*See accompanying Notes to Separate Financial Statements.*

**ATOK-BIG WEDGE CO., INC.**  
**SEPARATE STATEMENTS OF CASH FLOWS**

		Years Ended December 31		
	Note	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before income tax		(P2,751,214)	(P3,539,941)	(P3,557,046)
Adjustments for:				
Interest income	4	(543,105)	(117,925)	(403,308)
Unrealized foreign exchange gain		(83,872)	(166,353)	—
Depreciation and amortization	10	—	4,813	4,811
Operating loss before working capital changes		(3,378,191)	(3,819,406)	(3,955,543)
Increase in:				
Receivables		(55,542,118)	(8,710,412)	(25,439,628)
Other current assets		(204,685)	(264,119)	(254,782)
Increase (decrease) in payables and other current liabilities		7,725	(116,788)	173,233
Net cash used for operations		(59,117,269)	(12,910,725)	(29,476,720)
Interest received		543,105	117,925	403,308
Income taxes paid		(3,270)	—	—
Net cash used in operating activities		(58,577,434)	(12,792,800)	(29,073,412)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Advances to a stockholder	12	—	(210,000,000)	—
Collection of advances to a stockholder		—	15,134,748	—
Net cash used in investing activities		—	(194,865,252)	—
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Collection of subscription receivable	13	—	294,023,160	—
Advances from (payment to) stockholders		—	(7,621,500)	7,621,500
Net cash provided by financing activities		—	286,401,660	7,621,500
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(58,577,434)</b>	<b>78,743,608</b>	<b>(21,451,912)</b>
<b>EFFECT OF UNREALIZED FOREIGN EXCHANGE GAIN ON CASH AND CASH EQUIVALENTS</b>		<b>83,872</b>	<b>166,353</b>	<b>—</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>90,946,246</b>	<b>12,036,285</b>	<b>33,488,197</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>4</b>	<b>P32,452,684</b>	<b>P90,946,246</b>	<b>P12,036,285</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>				
Cash on hand and in banks		P32,452,684	P90,946,246	P126,732
Short-term placements		—	—	11,909,553
		<b>P32,452,684</b>	<b>P90,946,246</b>	<b>P12,036,285</b>

*See accompanying Notes to Separate Financial Statements.*

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**ATOK-BIG WEDGE CO., INC.**

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**NOTES TO SEPARATE FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2022 and 2021**

**AND FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 and 2020**

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**1. Corporate Matters**

**Corporate Information**

Atok-Big Wedge Co., Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 3, 1931. The Company's corporate life was extended on September 25, 1981. The Company's primary purpose is to engage in the business of exploration and development of mining, oil, gas and other natural resources.

On August 2, 2022, the Board of Directors (BOD) approved the amendment of the Company's primary purpose as stated in the Articles of Incorporation (AOI) to allow the Company's expansion into renewable energy. This was ratified by the stockholders on November 11, 2022. As at December 31, 2022, the Company is completing the documentary requirements in order to file the amendment of the AOI with the SEC.

The Company listed its shares in the Philippine Stock Exchange (PSE) on January 8, 1948. As at December 31, 2022 and 2021, 953,963,474 common shares of the Company are listed in the PSE (see Note 13).

As at December 31, 2022 and 2021, the Company is 69.8% owned by Boerstar Corporation, a holding company incorporated in the Philippines. The ultimate parent of the Company is Compact Holdings, Inc., a Philippine entity engaged in holding and investing activities.

As at December 31, 2022 and 2021, the Company, through its wholly-owned subsidiary, Tidemark Holdings Limited (Tidemark), has 20.0% interest in Forum Energy Ltd. (FEL), a private limited company organized in the United Kingdom.

FEL has interests in various service contracts as follows:

Service Contract	Interest
Service contract 40 (North Cebu)*	100.0%
Service contract 72 (Reed Bank)	70.0%
Service contract 14B-1 (North Matinloc)**	19.5%
Service contract 14B (Matinloc)**	12.4%
Service contract 14A (Nido)**	8.5%
Service contract 14C-1 (Galoc)	3.2%
Other service contracts	5.0% - 9.1%

*\*Service contract 40 was plugged and abandoned in 2017*

*\*\* Service contracts 14-B-1, 14B, and 14A were plugged and abandoned from 2019 to 2020*

The Company's registered address and principal place of business is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City, Metro Manila.

#### **Status of the Significant Exploration Projects of FEL (Associate Entity)**

*Service Contract 72 (Reed Bank).* FEL's principal asset is a 70.0% interest in Service Contract (SC) 72 which covers an area of 8,800 square kilometers in the West Philippine Sea. SC 72 is currently under Sub-Phase 2 of its exploration. The Department of Energy (DOE) granted *Force Majeure* to SC 72 work commitments suspending all exploration activities in the block due to the territorial dispute in the West Philippine Sea.

On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

On October 14, 2020, the moratorium on oil and gas exploration in the West Philippine Sea was lifted. FEL had 20 months upon lifting of the *Force Majeure* to complete the Sub-Phase 2 work commitment.

On April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the Security, Justice and Peace Coordinating Cluster (SJPPC).

On October 11, 2022, the DOE again formally declared *Force Majeure* in SC 72 from April 6, 2022, until such time as the same shall be lifted by the DOE. The suspension has nullified all work done since the lifting of the *Force Majeure* in October 2020. Hence, SC 72 shall be entitled to an extension of the exploration period corresponding to the number of days that the contractors actually spent in preparation for the activities that were temporarily halted by the DOE on April 6, 2022.

On March 20, 2023, the DOE further affirmed that the entire period from October 14, 2020 (when the *Force Majeure* was lifted) to April 6, 2022 (when the same was re-imposed) will be credited back to SC 72. Thus, once the *Force Majeure* is lifted in the future, FEL will have 20 months to drill the two commitment wells, which is equivalent to the remaining term of Sub- Phase 2 of SC 72 prior to October 14, 2020.

*Service Contract 14C-1 (Galoc).* The Galoc Field produced a total of 565,084 barrels of oil in 2022 as compared to 630,250 barrels of oil in 2021. Cumulative production starting October 2008 up to reporting date is 23.98 million barrels of oil. The participating interest of FEL in SC 14-1 increased from 2.3% to 3.2% in 2021.

*Other Service Contracts.* FEL has participating interests in other service contracts including SC6A (Octon), SC6B (Bonita Block) and SC14C-2 (West Linapacan), among others, which are currently under exploration phase.

#### **Potential Acquisition of Certain Mining Rights**

The Company entered into various Memoranda of Understanding (MOUs) for the potential acquisition of certain mining rights. Total advances to the mining right holders amounted to ₱1.5 million as at December 31, 2022 and 2021. In view of the prevailing regulatory environment, the Company is continuously evaluating the feasibility of this potential acquisition.



#### **Stock Option Plan**

In 2015, the BOD approved the Stock Option Plan (SOP) which provides among others the allocation of no more than 5% of the authorized capital for the SOP; each grant is for three years and will vest 1/3 for each of the succeeding years; and the strike price shall not be less than 80% of the market value at the time of grant. This was ratified by the stockholders on May 31, 2016.

As at December 31, 2022, the Company is still completing the requirements for the SEC's approval of the exemption from its registration requirements and the PSE's approval of the listing of the shares under the SOP. To date, no grants have been made under the SOP.

#### **Approval and Authorization for Issuance of Separate Financial Statements**

The separate financial statements as at December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 were approved and authorized for issuance by the BOD on May 15, 2023, as reviewed and recommended for approval by the Audit Committee on the same date.

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## **2. Summary of Significant Accounting Policies**

#### **Basis of Preparation**

The separate financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Standards Council (formerly Financial Reporting Standards Council) and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC), and SEC provisions.

The Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS as the separate financial statements presented. In the consolidated financial statements, subsidiary undertakings have been fully consolidated. Users of these separate financial statements should read them together with the consolidated financial statements in order to obtain full information on the consolidated statements of financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries. The consolidated financial statements are available for public use and may be obtained at the Company's registered office address and at the SEC and PSE.

#### **Measurement Bases**

The separate financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are rounded to the nearest Peso, except otherwise indicated.

The separate financial statements of the Company have been prepared on the historical cost basis of accounting, except for equity investment designated as financial asset at fair value through other comprehensive income (FVOCI). Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Further information about the assumptions made in measuring fair value is included in Note 18, *Financial Risk Management Objectives and Policies*.

#### **Adoption of Amendments to PFRS**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the relevant amendments to PFRS effective January 1, 2022:

- Amendments to PFRS 3, *Business Combinations - Reference to Conceptual Framework* – The amendments replaced the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement ensures that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarify that an acquirer shall not recognize contingent assets acquired in a business combination.
- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* – The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss.
- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* – The amendments specify which costs shall be included when assessing whether a contract is onerous or loss-making. The 'costs of fulfilling' a contract comprise the 'costs that relate directly to the contract'. These costs can either be incremental (e.g., the costs of direct labor and materials) or can be an allocation of costs directly related to fulfilling a contract (e.g., depreciation of fixed assets).

- Annual Improvements to PFRS 2018 to 2020 Cycle:
  - Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.
  - Amendment to PFRS 16, *Leases - Lease Incentives* – The amendment removed from Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

The adoption of the foregoing amendments to PFRS did not have any material effect on the separate financial statements. Additional disclosures were included in the notes to separate financial statements, as applicable.

#### **Amendments to PFRS Issued But Not Yet Effective**

Relevant amendments to PFRS which are not yet effective and have not been applied in preparing the separate financial statements are summarized below.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Making Materiality Judgments - Disclosure Initiative - Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2 is amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.
- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates* – The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." An entity develops an accounting estimate if an accounting policy requires an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error,

and that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Income Taxes - Deferred Tax Related Assets and Liabilities from a Single Transaction* – The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments should be applied on a modified retrospective basis. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Leases - Lease Liability in a Sale and Leaseback* – The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements in PFRS 15, *Revenue from Contracts with Customers*, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use (ROU) asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of a lease. Any gain or loss relating to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated. The amendments must be applied retrospectively. Earlier application is permitted.
- Amendments to PAS 1, *Classification of Liabilities as Current or Noncurrent* – The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Noncurrent Liabilities with Covenants* for that period.
- Amendments to PAS 1, *Noncurrent Liabilities with Covenants* – The amendments clarified that covenants to be complied with after the reporting date do not affect the classification of debt as current or noncurrent at the reporting date. Instead, the amendments require the entity to disclose information about these covenants in the notes to the financial statements. The amendments must be applied retrospectively. Earlier application is permitted. If applied in earlier period, the Company shall also apply Amendments to PAS 1 - *Classification of Liabilities as Current or Noncurrent* for that period.

Deferred effectivity -

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28 - *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a conflicting provision under the two standards. It clarifies that a gain or loss shall be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015 but earlier application is still permitted.

The adoption of the foregoing amendments to PFRS is not expected to have any material effect on the separate financial statements. Additional disclosures will be included in the notes to separate financial statements, as applicable.

**Current versus Noncurrent Classification**

The Company presents assets and liabilities in the separate statement of financial position based on current or noncurrent classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is classified as current when it is:

- Expected to be settled in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be settled within 12 months after the reporting period; or,
- There is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classifications.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

**Financial Assets and Liabilities**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the separate statement of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.



*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction cost.

*"Day 1" Difference.* Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at FVOCI. The classification of a financial asset largely depends on its contractual cash flow characteristics and the Company's business model for managing them.

Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2022 and 2021, the Company does not have financial assets and liabilities at FVPL and debt instruments measured at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process.

The Company's cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account) are classified under this category.

*Equity Investment Designated as Financial Asset at FVOCI.* On initial recognition, an equity instrument that is not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Dividends from equity instrument held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.



Changes in the fair value of this instrument is recognized in other comprehensive income and presented in the equity section of the separate statement of financial position. The cumulative gains or losses will not be reclassified to profit or loss upon disposal of the equity investment; instead, these will be transferred to deficit.

This category includes the Company's investment in unquoted shares of stock.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

The Company's payables and other current liabilities (excluding statutory payables) are classified under this category.

#### **Reclassification**

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

Equity investment that has been designated to be classified and measured at FVOCI may not be reclassified to a different category.

There were no reclassifications of financial assets in 2022 and 2021.

#### **Impairment of Financial Assets at Amortized Cost**

The Company records an allowance for impairment losses on its financial assets measured at amortized cost based on expected credit loss (ECL).

ECL is the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company measures loss allowances at an amount equivalent to the 12-month ECL for receivables on which credit risk has not increased significantly since initial recognition and for debt instruments that are determined to have low credit risk at the reporting date.

The 12-month ECL is the portion of ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. ECL for credit-impaired financial assets is based on the difference between the gross carrying amount and present value of estimated future cash flows.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the right to receive cash flows from the asset has expired; or
- the Company retains the right to receive cash flows from the financial asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its right to receive cash flows from the financial asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

*Financial Liabilities.* A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the separate statement of comprehensive income.

**Offsetting of Financial Assets and Liabilities**

Financial assets and financial liabilities are offset and the net amount reported in the separate statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the separate statement of financial position.

**Classification of Financial Instrument between Liability and Equity**

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Otherwise, the financial instrument is classified as equity.

**Advances to Officers and Employees**

Advances to officers and employees represent advances which are subject to liquidation. These are recognized initially at the transaction price including transaction costs. Subsequently, these are charged to expense once liquidated.

**Valued-Added Tax (VAT)**

Revenue, expenses and assets, except receivables and payables, are recognized net of the amount of VAT. The net amount of VAT recoverable from the taxation authority is recognized under "Other current assets" account in the separate statement of financial position.

**Investments in Subsidiaries**

The Company's investments in subsidiaries are carried in the separate statement of financial position at cost, less any impairment in value. A subsidiary is an entity in which the Company has control.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

**Advances to Mining Right Holders**

Advances to mining right holders are amounts paid in advance for the potential acquisition of certain mining rights. These are carried at the amount of cash paid and are reclassified to the corresponding asset account when the mining rights for which the advances were made are ultimately acquired.

#### **Deferred Mining Exploration Cost**

Deferred mining exploration cost is carried at cost less accumulated impairment losses.

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of the mineral resource.

Exploration and evaluation activity includes:

- Gathering exploration data through geological studies;
- Exploratory drilling and sampling; and
- Evaluating the technical feasibility and commercial viability of extracting the mineral resource.

Deferred mining exploration cost is no longer classified as such when the technical feasibility and commercial viability of extracting the mineral reserve are demonstrable. Deferred mining exploration cost is assessed for impairment, and any impairment loss is recognized, before reclassification to mineral reserves.

#### **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the property and equipment:

Asset Type	Number of Years
Leasehold improvements	5 or lease term, whichever is shorter
Transportation equipment	5
Furniture and fixtures	4
Office equipment	3
Exploration equipment	3

The assets' estimated useful lives and depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated items are retained as property and equipment until these are no longer in use.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and any impairment in value are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

#### **Impairment of Nonfinancial Assets**

The nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount exceeds its estimated recoverable amounts, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount of the asset is the higher of an asset's fair value less costs of disposal or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the separate statement of comprehensive income.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization for property and equipment, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization is adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

#### **Derecognition of Nonfinancial Assets**

A nonfinancial asset is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of a nonfinancial asset is included in profit or loss in the period in which it is derecognized.

#### **Equity**

*Capital Stock.* Capital stock is measured at par value for all shares issued. Unpaid subscriptions are recognized as a reduction of subscribed capital if not collectible currently.

*Deficit.* Deficit represents the cumulative balance of net loss.

*Other Comprehensive Loss.* All resulting remeasurement differences arising from fair valuation of equity investment designated as financial asset at FVOCI are recognized in other comprehensive loss and accumulated in equity.

#### **Interest Income**

Interest income is recognized as the interest accrues taking into account the effective yield on the assets, net of final tax.

#### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

*General and Administrative Expenses.* General and administrative expenses constitute costs of administering the business. These are recognized in profit or loss upon receipt of goods, utilization of services or when the expenses are incurred.



#### **Basic and Diluted Loss per Share**

The Company presents basic and diluted loss per share. Basic loss per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common shares outstanding during the year, excluding common shares purchased by the Company and held as treasury shares, if any. Diluted loss per share is calculated in the same manner, adjusted for the effects of all the dilutive potential common shares.

#### **Leases – Company as a Lessee**

A contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, the customer has both of the following: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component.

*Short-term Lease and Lease of Low-value Asset.* The Company has elected not to recognize ROU asset and lease liability for short-term lease and lease of low-value asset. The Company recognized the lease payments associated with this lease as an expense on a straight-line basis over the lease term.

#### **Short-term Employee Benefits**

The Company provides short-term benefits to its employees in the form of basic pay, 13th month pay, bonuses, employer's share on government contribution, and other short-term benefits.

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the year. Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

#### **Income Taxes**

*Current Tax.* Current tax is the expected tax payable on the taxable income for the year, using tax rate enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward benefits of the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and excess MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting year and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rate (and tax laws) in effect at the reporting date.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity as other comprehensive income.

*Offsetting.* Current tax assets and current tax liabilities are offset, or deferred tax assets and deferred tax liabilities are offset if, and only if, an enforceable right exists to set off the amounts and it can be demonstrated without undue cost or effort that the Company plans either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **Foreign Currency Transactions**

The Company determines its own functional currency and items included in the separate financial statements are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate at the reporting date. All differences are taken to the separate statement of comprehensive income. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **Related Parties**

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity, or between, and/or among the reporting entity and its key management personnel, directors or its stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely to the legal form.

A related party transaction is a transfer of resources, services or obligations between the Company and its related parties.

#### **Provisions and Contingencies**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized in the separate financial statements. These are disclosed in the notes to separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the separate financial statements but disclosed in the notes to separate financial statements when an inflow of economic benefits is probable.

#### **Events After the Reporting Date**

Post year-end events that provide additional information about the Company's financial position at the end of reporting year adjusting events are reflected in the separate financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to separate financial statements when material.

#### **Comparatives**

When necessary, comparative figures have been reclassified to conform to the changes in the presentation of the current year.

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### **3. Significant Judgment, Accounting Estimates and Assumptions**

The preparation of the Company's separate financial statements requires management to make judgment, estimates and assumptions that affect the amounts reported in the separate financial statements and accompanying notes. The judgment and estimates used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

#### **Judgment**

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the separate financial statements.

*Determination of Functional Currency.* Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Peso which is the currency of the primary economic environment in which the Company operates.

#### **Estimates and Assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Assessment of the ECL on Financial Assets at Amortized Cost.* Significant portion of the Company's receivables, advances to a stockholder as well as the refundable and security deposits are from its related parties. These financial assets are noninterest-bearing and payable on demand. These exposures are considered to be in default when there is evidence that the related party is in significant financial difficulty such that it will have insufficient liquid assets to repay its obligation

upon demand. This is assessed based on a number of factors including key liquidity and solvency ratios. Relying on the 90 days past due rebuttable presumption is not considered an appropriate backstop indicator given the lack of contractual payment obligations due throughout the life of the financial asset. After taking into consideration the related parties' ability to pay depending on the sufficiency of liquid assets, credit enhancements and available forward-looking information, the risk of loss on exposures from the related parties are assessed to be minimal.

For cash in banks, the Company applies low credit risk simplification. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The resulting ECL for these financial assets is considered insignificant because the counterparty banks have no history of default and have good credit ratings.

Financial assets at amortized cost are considered as credit-impaired when the counterparty is unlikely to settle its obligation to the Company, as evidenced by the following, among others:

- Significant financial difficulty or insolvency;
- Breach of financial covenants;
- Probability that the counterparty will enter bankruptcy or other financial reorganization.

No provision for ECL was recognized by the Company in 2022, 2021 and 2020. As at December 31, 2022 and 2021, allowance for impairment loss on credit-impaired receivables amounted to ₱41,550 (see Note 5).

The carrying amounts of the Company's financial assets at amortized cost that were subjected to impairment testing are disclosed in Note 18.

*Assessment for the Impairment of Investments in Subsidiaries.* The Company assesses impairment on investments in subsidiaries whenever events or changes in circumstances indicate that the carrying amount of these investments may not be recoverable. Factors that the Company considers in deciding whether to perform impairment review of investment in subsidiaries include the following, among others:

- A significant financial difficulty of the subsidiaries.
- A significant change in the technological, legal or economic environment in which the business operates.
- A significant decline in market value of the investments.
- A current-period loss combined with a history of losses or a projection of continuing losses associated with the investments.

The recoverability of the Company's investment in Tidemark is dependent on the results of operations of FEL. As discussed in Note 1, FEL encountered a delay in one of its drilling programs. In 2022, 2021 and 2020, management has assessed that no additional impairment loss should be recognized on the Company's investments in subsidiaries because the expected recoverable amount exceeds the carrying amount of the investments.

The carrying amount of investments in subsidiaries and other relevant information on the status of operations and impairment assessment are disclosed in Note 7.

*Assessment for the Recoverability of Input VAT.* The carrying amount of input VAT is adjusted to an extent that it is probable that sufficient taxable revenue subject to output VAT will be available to allow all or part of the input VAT to be utilized. Any allowance for unrecoverable portion of input VAT is maintained at a level considered adequate to provide for potentially unrecoverable portion. The level of allowance is based on past application experience, validity period and other factors that may affect realizability.

No impairment loss was recognized on input VAT in 2022, 2021 and 2020. The carrying amount of input VAT is disclosed in Note 6.

*Capitalization and Impairment Assessment of Exploration and Evaluation Expenditures.* The capitalization of exploration and evaluation expenditures requires judgment in determining whether there are future economic benefits from future exploitation or sale of reserves. The capitalization requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

As at December 31, 2022 and 2021, deferred mining exploration costs amounting to P2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful (see Note 9).

*Recognition of Deferred Tax Assets.* The carrying amount of deferred tax assets at each reporting date are reviewed and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenue and expenses.

The Company did not recognize deferred tax assets on deductible temporary differences as disclosed in Note 17. Management has assessed that it is not probable that future taxable profit will be available in the near future against which the deferred tax assets on these temporary differences can be utilized.

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#### 4. Cash

This account consists of:

	2022	2021
Cash on hand	P19,726	P14,726
Cash in banks	32,432,958	90,931,520
	<u>P32,452,684</u>	<u>P90,946,246</u>

Cash in banks earn interest at the respective bank deposit rates and are immediately available for use in the current operations.

Interest income on cash in banks amounted to P543,105, P117,925 and P403,308 in 2022, 2021 and 2020, respectively.



## 5. Receivables

This account consists of:

	Note	2022	2021
Receivables from:			
Related companies	12	₱90,301,963	₱34,992,181
Third party		190,450	190,450
Advances to officers and employees		784,876	552,540
Others		9,697	9,697
		91,286,986	35,744,868
Less allowance for impairment losses		41,550	41,550
		₱91,245,436	₱35,703,318

Receivables are unsecured, noninterest-bearing, due and demandable and are normally settled in cash.

Advances to officers and employees are unsecured, noninterest-bearing, and are subject to liquidation.

No provision for impairment loss was recognized in 2022, 2021 and 2020.

## 6. Other Current Assets

This account consists of:

	Note	2022	2021
Input VAT		₱9,045,802	₱8,854,368
Rental and security deposits	16	1,349,090	1,349,090
Others		21,314	8,063
		₱10,416,206	₱10,211,521

## 7. Investments in Subsidiaries

As at December 31, 2022 and 2021, this account consists of:

	Tidemark	AB Stock Transfer Corporation (ABSTC)	Total
<b>Cost</b>			
Balances at beginning and end of year	₱868,089,708	₱999,995	₱869,089,703
<b>Accumulated Impairment Losses</b>			
Balances at beginning and end of year	223,495,475	—	223,495,475
<b>Carrying Amount</b>	₱644,594,233	₱999,995	₱645,594,228

**Tidemark**

The Company, through Tidemark, a wholly-owned subsidiary based in Hong Kong, has 20.0% interest in FEL as at December 31, 2022 and 2021.

As discussed in Note 1, FEL encountered a delay in one of its drilling programs. It has submitted all the requirements for the issuance of required permits for the drilling program. The permit, however has not yet been issued by the relevant government body because of territorial dispute between the Philippines and China.

On July 12, 2016, the Permanent Court of Arbitration in The Hague released a ruling on the maritime case filed by the Republic of the Philippines against the People's Republic of China. In particular, the Tribunal ruled that Reed Bank, where SC 72 lies, is within the Philippines' Exclusive Economic Zone as defined under the United Nations Convention on the Law of the Seas.

In November 2018, the Philippines and China entered into a MOU on Cooperation on Oil and Gas Development. Under the MOU, a Steering Committee shall be established which will create one or more inter-Entrepreneurial Working Groups that will agree on entrepreneurial, technical, and commercial aspects of cooperation in certain areas in the West Philippine Sea.

On December 21, 2018, FEL, through its subsidiary, Forum (GSEC 101) Limited, has sent a letter of request to the DOE to lift the *Force Majeure* imposed on SC 72.

On October 14, 2020, the *Force Majeure* over SC 72 was lifted. The work program and budget and annual procurement plan for 2022 and 2021 were approved by the DOE and FEL proceeded with drilling preparations and is progressing accordingly.

However, on April 6, 2022, there was a directive from the DOE to suspend exploration activities until the issuance of the "necessary clearance to proceed" from the SJGCC.

In its April 8, 2022 reply to the DOE, FEL's representative expressed willingness to resume activities immediately. However, if no written confirmation from the DOE is received by April 10, 2022 that FEL can resume its activities on April 11, 2022, FEL will consider the suspension of work issued by the DOE to be indefinite and a force majeure event that will entitle FEL to be excused from the performance of its respective obligations and to the extension of the exploration period under SC 72.

On October 11, 2022, the DOE granted the following: (i) the Declaration of *Force Majeure* for SC 72 from April 6, 2022 until such time as the same is lifted by the DOE, (ii) the inclusion of total expenses incurred as a result of the DOE directive to suspend activities as part of the approved recoverable costs, subject to DOE audit, and (iii) in addition to the period in item (i) above, FEL will be entitled to an extension of the exploration period under SC 72 corresponding to the number of days that the contractors spent in preparation for the activities that were temporarily halted by the DOE's suspension order on April 6, 2022.

Management has determined that there is no impairment loss to be recognized in 2022, 2021 and 2020 based on the most recent cash flow projections from FEL's service contracts.

The projections are mainly based on cash flows expected to be generated by SC 72 as approved by the management and are determined from feasibility studies and expectations on market development. Cash inflows consider the existing contracts and management's estimate of the average price per barrel of oil and revenue growth range. The cash flow projections were discounted using a rate that reflects current market assessments of time value of money and the risk specific to FEL. The status of other service contracts is also discussed in Note 1.

#### **ABSTC**

ABSTC was incorporated on June 24, 2010 and registered with the Philippine SEC to establish, operate and act as a transfer agent. As at December 31, 2022 and 2021, the Company has 99.9% ownership in ABSTC. ABSTC's principal place of operations is Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City.

Following are the aggregated summarized financial information of the subsidiaries as at and for the years ended December 31, 2022, 2021 and 2020 (in millions):

	2022	2021	2020
Assets	<b>₱1,171.7</b>	<b>₱1,023.5</b>	<b>₱956.9</b>
Liabilities	<b>752.8</b>	<b>697.4</b>	<b>688.8</b>
Equity	<b>418.9</b>	<b>326.1</b>	<b>268.1</b>
Net income	<b>0.8</b>	<b>0.3</b>	<b>0.1</b>

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#### **8. Equity Investment Designated as Financial Asset at FVOCI**

This account pertains to an investment acquired at a cost of ₱2.0 million with cumulative unrealized fair value loss of the same amount.

Quoted market prices are not readily available. Fair value of the investment is determined based on net asset method. The fair value of the equity investment designated as financial asset at FVOCI is classified under Level 3 of the fair value hierarchy (see Note 18).

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#### **9. Deferred Mining Exploration Cost**

The realizability of deferred mining exploration cost is dependent upon the success of future exploration and development activities in proving the mining property's viability to produce minerals in commercial quantities. As at December 31, 2022 and 2021, deferred mining exploration costs amounting to ₱2.6 million were fully impaired upon management's assessment that the related projects were unsuccessful.

# 10. Property and Equipment

Property and equipment with the following acquisition cost were fully depreciated but are still in use as at December 31, 2022 and 2021.

Leasehold improvements	₱4,442,518
Transportation equipment	1,665,548
Furniture and fixtures	1,316,737
Office equipment	1,190,713
Exploration equipment	56,235
	<b>₱8,671,751</b>

Depreciation and amortization expense recognized in 2022, 2021 and 2020 amounting to nil, ₱4,813, and ₱4,811, respectively, pertains to the exploration equipment (see Note 14).

# 11. Payables and Other Current Liabilities

This account consists of:

	Note	2022	2021
Payables to related companies	12	₱33,474	₱33,474
Accruals:			
Professional fees		295,845	262,996
Salaries and employee benefits		47,000	47,000
Utilities and other office expenses		31,129	28,216
Advances from officers and employees		368,924	368,924
Retention payable		95,000	95,000
Statutory payables		24,353	52,386
Others		39,391	39,395
		<b>₱935,116</b>	<b>₱927,391</b>

Payable to related companies, advances from officers and employees, retention and other payables are noninterest-bearing, due and demandable, and are payable in cash.

Accrued expenses are normally settled within the following month.

Statutory payables which mainly consist of withholding taxes are expected to be paid within the next financial year.

## 12. Related Party Transactions

The Company, in its regular conduct of business, has transactions with its related parties. The outstanding balances and amount of transactions with related parties are as follows:

	Note	Nature of Transaction	Transactions During the Year		Outstanding Balances		Terms and Conditions
			2022	2021	2022	2021	
<b>Receivable from related companies</b>	<b>5</b>						
<i>Wholly-owned subsidiaries:</i>							
		Cash advances for investing and working capital requirements					
Tidemark			₱55,301,641	₱8,657,220	₱89,640,951	₱34,339,310	
ABSTC		Allocated rent, salaries, utilities and other shared costs	8,141	475,916	44,696	36,555	
<i>Entities under common management:</i>							
Alphaland Heavy Equipment Corporation		Allocated costs	-	-	579,305	579,305	Unsecured and
Alphaland Balesin Island Club, Inc.		Reimbursements	-	-	32,500	32,500	noninterest-
Alphaland Corporation		Reimbursements	-	-	3,715	3,715	bearing, due on
Alphaland Aviation, Inc.		Reimbursements	-	-	796	796	demand
					₱90,301,963	₱34,992,181	
<b>Rental and security deposits</b>	<b>16</b>						
<i>Entities under common management -</i>							
		Deposits in relation to					Unsecured and
Alphaland Southgate Tower, Inc. (ASTI)		a lease agreement	₱-	₱-	₱1,349,090	₱1,349,090	noninterest-bearing,
<b>Payables to related companies</b>	<b>11</b>						
<i>Wholly-owned subsidiary -</i>							
ABSTC		Stock transfer services	₱180,000	₱180,000	₱-	₱-	Unsecured and
<i>Entities under common management:</i>							noninterest-
ASTI		Reimbursements	-	-	33,474	33,474	bearing, due on
					₱33,474	₱33,474	demand
<b>Advances to a stockholder</b>							
							Secured and
Stockholder		Cash advances	₱-	₱210,000,000	₱194,865,252	₱194,865,252	noninterest-bearing, due on demand

In 2022, 2021, and 2020 the Company has not made any provision for impairment losses relating to the amounts owed by related parties.

On May 9, 2023, the Company entered into an amended agreement with the stockholder to extend the payment of the advances until May 9, 2024.

### Compensation of Key Management Personnel

The compensation of the key management personnel is handled by Alphaland Makati Place Inc., an entity under common management, at no cost to the Company.



### 13. Capital Stock

The composition of the Company's capital stock consisting of all common shares as at December 31, 2022 and 2021 is as follows:

	2022		2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorized - P1.0 par value	10,000,000,000	P10,000,000,000	10,000,000,000	P10,000,000,000
<b>Subscribed and issued</b>				
Balance at beginning and end of year	2,545,000,000	P2,545,000,000	2,545,000,000	P2,545,000,000
Less subscription receivable				
Balance at beginning and end of year	-	(P1,190,976,840)	-	(P1,485,000,000)
Collection	-	-	-	294,023,160
Balance at end of year	-	(1,190,976,840)	-	(1,190,976,840)
<b>Outstanding</b>	<b>2,545,000,000</b>	<b>P1,354,023,160</b>	<b>2,545,000,000</b>	<b>P1,354,023,160</b>

The Company listed its shares in the PSE on January 8, 1948. As at December 31, 2022 and 2021, 953,963,474 of the Company's shares are listed in the PSE (see Note 1).

Pursuant to the PSE's rules on minimum public ownership, at least 10% of the issued and outstanding shares of a listed company must be owned and held by the public. As at December 31, 2022 and 2021, public ownership over the Company is 14.10% and 13.64%, respectively.

As at December 31, 2022 and 2021, the Company has 4,179 stockholders of record.

### 14. General and Administrative Expenses

This account consists of:

	Note	2022	2021	2020
Professional fees		P1,471,568	P1,710,527	P1,687,450
Salaries and wages		647,860	927,042	608,391
PSE listing maintenance fee		577,148	765,217	1,056,544
Rent	16	187,511	187,511	187,511
Supplies		120,745	94,382	175,519
Transportation and travel		96,685	55,563	33,159
Utilities, dues and subscriptions		55,488	44,082	49,461
Repairs and maintenance		40,810	-	-
Representation		45,463	174,166	8,808
Communications		42,000	73,592	-
Taxes and licenses		18,814	38,225	55,087
Depreciation and amortization	10	-	4,813	4,811
Others		74,099	76,099	93,613
		<b>P3,378,191</b>	<b>P4,151,219</b>	<b>P3,960,354</b>

## 15. Basic and Diluted Loss Per Share

Basic and diluted loss per share is computed as follows:

	2022	2021	2020
Net loss (a)	(P2,731,419)	(P3,584,799)	(P3,557,046)
Weighted average number of outstanding shares (b)	2,545,000,000	2,545,000,000	2,545,000,000
Basic and diluted loss per share (a/b)	(P0.0011)	(P0.0014)	(P0.0014)

The Company has no dilutive potential common shares outstanding, therefore basic loss per share is the same as diluted loss per share.

## 16. Lease Agreements

The Company is being charged an annual rent for a leased storage facility located in Agusan Del Norte. The contract is one year lease, renewed annually upon mutual agreement of the parties.

The Company also recognizes an expense for its share in the office rental payments from ABSTC.

Total rent expense recognized by the Company amounted to P187,511 in 2022, 2021 and 2020 (see Note 14).

As at December 31, 2022 and 2021, the Company has a rental and security deposit from ASTI amounting to P1.3 million, in relation to an office lease agreement which was terminated in 2016 (see Note 12).

## 17. Income Taxes

The provision for current income tax in 2022 and 2021 amounting to P825 and P3,270, respectively, represents MCIT. There is no provision for current income in 2020 due to the Company's tax loss position.

Deferred tax liability amounting to P20,968 and P41,588 as at December 31, 2022 and 2021, respectively, arises from unrealized foreign exchange gain.

The deferred tax assets on the following deductible temporary differences were not recognized because management has assessed that it is not probable that there will be sufficient taxable profit against which the benefits of the deferred tax assets on these temporary differences can be utilized.

	Note	2022	2021
NOLCO		P10,851,846	P11,964,085
Accumulated impairment losses on:			
Deferred mining exploration cost	9	2,613,940	2,613,940
Receivables	5	41,550	41,550
MCIT		4,095	3,270
		P13,511,431	P14,622,845

As at December 31, 2022, unused NOLCO which can be claimed as deduction against future taxable income are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2022	P-	P3,250,247	P-	P3,250,247	2025
2021	3,650,053	-	-	3,650,053	2026
2020	3,951,546	-	-	3,951,546	2025
2019	4,362,486	-	(4,362,486)	-	2022
	<b>P11,964,085</b>	<b>P3,250,247</b>	<b>(P4,362,486)</b>	<b>P10,851,846</b>	

As mandated by Section 4 of Republic Act (RA) No. 11494 or the "Bayanihan to Recover as One Act" and implemented under Revenue Regulations No. 25-2020, the net operating loss of a business enterprise incurred for the taxable years 2020 and 2021 can be carried over as a deduction from taxable income for the next five consecutive taxable years following the year of such loss.

As at December 31, 2022, excess of MCIT over RCIT which can be claimed as deduction against tax due are as follows:

Year Incurred	Balance at Beginning of Year	Incurred	Expired	Balance at End of Year	Valid Until
2022	P-	P825	P-	P825	2025
2021	3,270	-	-	3,270	2024
	<b>P3,270</b>	<b>P825</b>	<b>P-</b>	<b>P4,095</b>	

The reconciliation between the benefit from income tax computed at statutory income tax rate and provision for (benefit from) income tax at effective income tax rate is as follows:

	2022	2021	2020
Benefit from income tax computed at statutory income tax rate	<b>(P687,804)</b>	<b>(P884,985)</b>	<b>(P1,067,114)</b>
Expired NOLCO	<b>1,090,622</b>	<b>1,026,114</b>	<b>2,058,632</b>
Changes in unrecognized deferred tax assets	<b>(277,235)</b>	<b>(110,332)</b>	<b>(873,168)</b>
Add (deduct) tax effects of:			
Interest income already subjected to final tax	<b>(135,776)</b>	<b>(29,481)</b>	<b>(120,992)</b>
Nondeductible expenses	<b>11,366</b>	<b>43,542</b>	<b>2,642</b>
Others	<b>(20,968)</b>	<b>-</b>	<b>-</b>
Provision for (benefit from) income tax at effective tax rate	<b>(P19,795)</b>	<b>P44,858</b>	<b>P-</b>

The regular income tax rate used in preparing the separate financial statements is 25% in 2022 and 2021 and 30% in 2020.

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## 18. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash, receivables (excluding advances to officers and employees), advances to a stockholder, rental and security deposits (presented under "Other current assets" account), equity investment designated as financial asset at FVOCI and payables and other current liabilities (excluding statutory payables).

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and detriment forecasted results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The BOD reviews and institutes policies for managing each of the risks and these are summarized below.

### Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and other market prices will adversely affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company is subject to minimal transaction and translation exposures resulting from currency exchange fluctuations in relation to its financial instruments. The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency denominated assets and liabilities.

### Credit Risk

Credit risk is a risk wherein a counterparty fails to meet its obligations. When the counterparty defaults, the maximum exposure is generally equal to the carrying amount of the related financial asset. The Company's credit risk arises principally from cash, receivables (excluding advances to officers and employees), advances to a stockholder and rental and security deposits (presented under "Other current assets" account).

The Company trades only with recognized and credit-worthy third parties as well as with related parties. In addition, the Company only deals with financial institutions duly evaluated and approved by the BOD.

The table below shows the credit quality per class of financial assets as at December 31, 2022 and 2021.

	2022					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	₱32,432,958	₱—	₱—	₱—	₱—	₱32,432,958
Receivables*	90,460,560	—	—	—	41,550	90,502,110
Advances to a stockholder	—	—	—	194,865,252	—	194,865,252
Rental and security deposits**	1,349,090	—	—	—	—	1,349,090
	₱124,242,608	₱—	₱—	194,865,252	₱41,550	₱319,149,410

\*Excluding advances to officers and employees.

\*\*Presented under "Other current assets" account.

	2021					Total
	Neither Past Due nor Impaired			Past Due but not Impaired	Credit-impaired	
	High Grade	Standard Grade	Substandard Grade			
Financial assets at amortized cost:						
Cash in banks	P90,931,520	P—	P—	P—	P—	P90,931,520
Receivables*	35,150,778	—	—	—	41,550	35,192,328
Advances to a stockholder	194,865,252	—	—	—	—	194,865,252
Rental and security deposits**	1,349,090	—	—	—	—	1,349,090
	P322,296,640	P—	P—	P—	P41,550	P322,338,190

\*Excluding advances to officers and employees.

\*\*Presented under "Other current assets" account.

The credit quality of the financial assets is managed by the Company using internal credit quality ratings.

High grade consists of financial assets from counterparties with good financial condition and with relatively low defaults. This also includes transactions with related parties with sufficient liquid assets to settle its obligation upon demand of the Company. Financial assets having risks of default but are still collectible are considered as standard grade accounts. Financial assets that require persistent effort from the Company to collect are considered substandard grade accounts.

Cash in banks are considered high grade as these pertain to deposits and placements in reputable banks with prime ratings. The Company considers that these financial assets have low credit risk based on the external ratings of the counterparties.

Receivables and rental and security deposits are mainly exposures to related parties and are considered as high grade because the related parties are part of a group with sufficient liquid assets to repay the receivables upon demand by the Company. Advances to a stockholder are secured and therefore assessed to be collectible.

Except for past due financial assets which are subject to lifetime ECL, impairment of financial assets at amortized cost has been measured on 12-month ECL basis and reflects the short maturities of the exposures. The resulting ECL is not based on the foregoing discussions.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The Company's payable to related companies and advances from officers and employees amounting to ₱402,398 as at December 31, 2022 and 2021 are due and demandable. The remaining balance of payables and other current liabilities (excluding statutory payables) amounting to ₱508,365 and ₱472,607 as at December 31, 2022 and 2021, respectively, have a maturity of less than three months.

### **Fair Value Measurement**

The table below presents the financial assets and liabilities of the Company whose carrying amounts approximate its fair values primarily due to the short-term and demandable nature of the financial instruments:

	2022	2021
<b>Financial Assets at Amortized Cost</b>		
Cash	₱32,452,684	₱90,946,246
Receivables*	90,460,560	35,150,778
Advances to a stockholder	194,865,252	194,865,252
Rental and security deposits**	1,349,090	1,349,090
	<b>₱319,127,586</b>	<b>₱322,311,366</b>
<b>Financial Liability at Amortized Cost</b>		
Payables and other current liabilities***	₱910,763	₱875,005

\* Excluding advances to officers and employees.

\*\* Presented under "Other current assets" account.

\*\*\* Excluding statutory payables.

*Equity Investment Designated as Financial Asset at FVOCI.* Fair value of equity investment designated as financial asset at FVOCI is determined using the adjusted net asset method. Adjusted net asset method focuses on an entity's net asset value or the fair market value of its total assets minus total liabilities to determine what it would cost to recreate the business. This fair value measurement approach is categorized under Level 3 of the fair value hierarchy (significant unobservable inputs). Increase (decrease) in the investee's net assets will result to a higher (lower) fair value. There were no changes in fair value hierarchy.

### **Capital Management Policy**

The primary objective of the Company's capital management is to ensure its ability as a going concern and that it maintains healthy capital ratios in order to support its business operations and maximize shareholder value.

The Company considers equity amounting to ₱975.1 million and ₱977.9 million as at December 31, 2022 and 2021, respectively, as capital employed.



The Company monitors capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. Total equity comprises all components of equity.

The debt-to-equity ratios as at December 31 are as follows:

	2022	2021
Total debt	<b>₱956,909</b>	₱972,249
Total equity	<b>975,141,897</b>	977,873,316
	<b>0.001:1</b>	0.001:1

The Company manages its capital structure and makes adjustments to it when there are changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust its borrowings or raise capital. No changes were made in the objectives, policies or processes in 2022 and 2021.

**19. Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue (BIR)**

The information for 2022 required by the above regulations is presented below.

**Output VAT**

The Company has no revenue subject to output VAT.

**Input VAT**

The movements in input VAT claimed by the Company for the year ended December 31, 2022 are shown below:

	Amount
Balance at beginning of year	P8,854,368
Add current year purchases or payments for:	
Domestic purchase of goods/services	191,434
Balance at end of year	P9,045,802

**Other Local and National Taxes**

The Company's local and national taxes for the year ended December 31, 2022 consist of:

	Amount
Local -	
Business permits and licenses fees	P18,314
National -	
BIR annual registration	500
	P18,814

Other local and national taxes are classified as part of "Taxes and licenses" under "General and administrative expenses" account in the separate statement of comprehensive income.

**Withholding Taxes**

Withholding taxes paid and accrued by the Company for the year ended December 31, 2022 consists of:

	Accrued	Paid
Withholding tax on compensation and benefits	P4,830	P52,425
Expanded withholding tax	6,268	87,145
	P11,098	P139,570

Withholding taxes payable are presented as part of "Statutory payables" under "Payables and other current liabilities" account in the separate statement of financial position.

**Tax Assessments and Cases**

The Company has no outstanding tax assessment from the BIR and tax cases in courts or other regulatory bodies outside of the BIR as at December 31, 2022.



**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY SEPARATE FINANCIAL STATEMENTS FOR FILING WITH THE  
BUREAU OF INTERNAL REVENUE**

The Stockholders and the Board of Directors  
Atok-Big Wedge Co., Inc.  
Alphaland Makati Place  
7232 Ayala Avenue corner Malugay Street  
Makati City, Metro Manila

We have audited the accompanying separate financial statements of Atok-Big Wedge Co., Inc. (the Company) as at December 31, 2022 and 2021, and for the years ended December 31, 2022, 2021 and 2020, on which we have rendered our report dated May 15, 2023.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**REYES TACANDONG & Co.**

  
EMMANUEL V. CLARINO

Partner

CPA Certificate No. 27455

Tax Identification No. 102-084-004-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 27455-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-005-2022

Valid until October 16, 2025

PTR No. 9564558

Issued January 3, 2023, Makati City

May 15, 2023

Makati City, Metro Manila

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**Submission Date/Time:**

**May 17, 2023 03:27 PM**

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## Contextual Information

Company Details	
Name of Organization	Atok-Big Wedge Co., Inc.
Location of Headquarters	Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City 1209 Philippines
Location of Operations	Alphaland Makati Place, 7232 Ayala Avenue corner Malugay Street, Makati City 1209 Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Atok-Big Wedge Co., Inc. and its subsidiary, AB Stock Transfers Corporation
Business Model, including Primary Activities, Brands, Products, and Services	Atok is one of the oldest mining companies in the Philippines. It has business in mining, oil, gas and natural resources exploration and development.
Reporting Period	31 December 2022
Highest Ranking Person responsible for this report	President

*\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

## Materiality Process

**Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.<sup>14</sup>**

As a company in the mining business, Atok-Big Wedge Co., Inc. ("Atok" or the "Company") recognizes the importance of operating responsibly, ensuring the health and safety of its employees, the local community it operates in, as well as the preservation of the environment where it has mining exploration works.

Economic, social and environmental sustainability are at the forefront of Atok's business strategy. To ensure that these important factors are included in all decisions taken by the Company, Atok developed a management framework that both promotes sustainability and provides guidelines for decision-making throughout the Company.

### **BUSINESS OPERATIONS:**

Atok is committed to international health and safety standards, and the conservation of the environment as one of its core values.

### **Health and Safety**

Atok provides for health and medical insurance for all its employees so they can access the best health care in the country at no cost to them. To prevent the spread of the COVID-19 infection, the Company provided facemasks, face shields, hand disinfectants and disinfecting mats and solutions

<sup>14</sup> See GRI 102-46 (2016) for more guidance.

for the use of its employees. Testing was conducted regularly to protect all employees in the workplace. Equipment needed to screen and monitor employees and visitors were purchased. The Company also provided occupational safety and health training to its designated officer, first aid training to its employees, and complies with the safety requirements and regulations imposed by the Department of Labor and Employment and the Makati City Local Government at its head office.

#### **Environment**

Atok has committed to undertake activities without endangering the environment as well as the health and safety of its employees in its Exploration Permit Application.

#### **FINANCE**

Atok has placed internal finance controls to ensure that it abides by the strict corporate governance principles all listed companies in the Philippines are expected to comply. Currently, Atok has no financial lenders.

#### **LEGAL AND COMPLIANCE**

Legal and Compliance sustainability risks include bribery, corruption, and potential regulatory changes brought about by changes in the political landscape.

Atok has conducted its business with utmost regard to business ethics. Atok has a Code of Discipline for strict observance of its employees which places zero tolerance for bribery and corruption.

#### **PEOPLE AND CULTURE**

The greatest resource of Atok is its dedicated employees that move the company to greater heights. Atok is committed to provide a working environment that encourages its employees to do their best work. The Company has in place a Code of Discipline to promote the welfare of its employees, as well as policies related to gifts, entertainment and sponsored travels. It also has written policies on conflict of interest and related party transactions. These policies are regularly reviewed and updated to ensure that that welfare of its employees is well-protected.

### **ECONOMIC**

#### Economic Performance

#### Direct Economic Value Generated and Distributed

<b>Disclosure</b>	<b>Amount</b>	<b>Units</b>
Direct economic value generated (revenue)	2,819,041.00	Php
Direct economic value distributed		
a. Operating costs	3,675,456.00	Php
b. Employee wages and benefits	1,255,129.95	Php
c. Payments to suppliers, other operating costs	383,828.00	Php
d. Dividends given to stockholders and interest payments to loan providers	0.00	Php
e. Taxes given to government	244,382.00	Php
f. Investments to community (e.g. donations, CSR)	0.00	Php



<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>The Company presently derives revenue indirectly through its subsidiary ABSTC.</p> <p>The Company contributes to economic growth by paying taxes to the local government.</p>	All Stakeholders	<p>The Company ensures that the operations and financial affairs are managed in a sound and prudent manner. Financial and internal controls are in place to ensure reliability and integrity of financial and operational information.</p>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>Should the Company start the exploration and development of new projects within the Philippines, financial lenders can look at the Company's sustainability programs as part of their corporate lending requirements.</p>	All Stakeholders	<p>The Company is committed to corporate sustainable practices. However, it acknowledges that this has not been a part of its previous formal reporting until this year. The Company commits to make more comprehensive sustainability reports in the future to assist potential financial lenders in their assessment of Atok.</p>

Climate-related risks and opportunities<sup>15</sup>

Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts <sup>16</sup> of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
Assessment of climate-related risks and opportunities is performed by the Company's Board of Directors with the aid of the Company's audit group which is responsible for identifying risk exposures and recommending actions to minimize the potential damage therefrom.	Actual climate-related risks are minimal considering that the exploration permit application of the Company is still being reviewed by the Mines and Geosciences Bureau. When the Company proceeds to do actual exploration work, the climate-related risks in the regions where it will conduct exploration works, specifically in the Agusan region, will play a factor in the operation of the Company and will have to be assessed and managed to ensure productive work despite changing climate and the occasional storms that hit the region.	The Company's internal audit group is tasked to identify climate-related risks and propose measures to mitigate and manage them. The recommendations are then deliberated by the Company's Board of Directors through its Executive Committee which may adopt the recommendations or, upon discussions, supplement or take a different action to mitigate and manage the climate-related risks identified by the audit group.	Currently, Atok is not operating any mine as its exploration permit application is still being reviewed by the Mines and Geosciences Bureau. Once actively operating the mining locations in its Exploration Permit Application, the Company will engage in direct and indirect monitoring of the metrics needed to assess and manage climate-related risks and opportunities.

<sup>15</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCTD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<sup>16</sup> For this disclosure, impact refers to the impact of climate-related issues on the company.

Recommended Disclosures			
<p>a) Describe the board's oversight of climate-related risks and opportunities</p> <p>The board's oversight of climate-related risks is performed by the Company's Executive Committee in an AD HOC capacity as and when the climate-related risks require the attention of the Executive Committee.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</p> <p>Considering that the exploration permit application of the Company is still under review, the bulk of the work is in coordination with the regulatory bodies for them to act on the applications.</p> <p>In the short-term, the Company complies with the segregation of waste between biodegradable and non-biodegradable to help in the preservation of the environment. The Company discourages the use of plastic products in compliance with local ordinance on use of plastic.</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p> <p>As discussed, the responsible party for identifying and assessing climate-related risks is with the Audit group of the Company which is tasked to create reports every six months on climate-related risks including proposals to mitigate and manage them. The report is then submitted to the Executive Committee of the Board of Directors for its appropriate action.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p> <p>Currently, Atok is not operating any mine as its exploration permit application is still being reviewed by the Mines and Geosciences Bureau. Once actively operating the mining locations in its Exploration Permit Application, the Company will engage in direct and indirect monitoring of the metrics needed to assess and manage climate-related risks and opportunities.</p>
<p>b) Describe management's role in assessing and managing climate-related risks and opportunities</p> <p>Management's reviews and refines the report of the Audit group on climate-related risks before passing to the</p>	<p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</p> <p>Climate-related risks are given due consideration in planning and executing the organization's</p>	<p>b) Describe the organization's processes for managing climate-related risks.</p> <p>As discussed, the responsible party for identifying and assessing climate-related risks is with the Audit department of the</p>	<p>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p> <p>Currently, Atok is not operating any mine</p>

Executive Committee of the Board of Directors for its appropriate action.	business strategies and financial planning. The procurement of equipment to mitigate and manage the risks identified will have a significant impact in the financial planning of the Company.	Company which is tasked to create reports every six months on climate-related risks including proposals to mitigate and manage them. The report is then submitted to the Executive Committee of the Board of Directors for its appropriate action.	as its exploration permit application is still being reviewed by the Mines and Geosciences bureau, Once actively operating the mining locations in its Exploration Permit Application, the Company will engage in direct and indirect monitoring of the metrics needed to assess and manage climate-related risks and opportunities.
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p> <p>The risk management plan and action put in motion by the Executive Committee of the Board of Directors is subject to periodic review and adjustments by the Audit Committee, whose report will then be subject to review by management before submitting to the Board of Directors for appropriate action.</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p> <p>Atok management practices a comprehensive approach in planning and executing the Company's overall risk management, taking into consideration all the climate-related risks before planning and executing an overall Risk Management strategy and action.</p>	

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Using local suppliers keeps the Company's costs down and helps increase the revenue of the local economy.	Suppliers	Qualified and capable suppliers are prioritized for the company's procurement needs. If there are no local suppliers available, foreign suppliers are sought.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There are instances when local suppliers might be unable to meet the demand.	Suppliers	Suppliers must go through accreditation so their capabilities to provide the Company's requirements can be assessed.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Engaging local suppliers cuts down on fuel consumption and air pollution, reducing the Company's energy usage and carbon emissions. Shipping and storage costs are also reduced, allowing the Company to be more competitive.	Suppliers	The Company must be a good customer and maintain mutually beneficial relationships with its suppliers to ensure the timely delivery of goods and services at competitive prices.

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-	0	%

corruption training		
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What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i></p> <p><i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>The Company has yet to record an actual incident of bribery or corruption in its workplace.</p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> <p>NA</p>	<p><i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>Management has issued several policies to prevent corruption in the workplace. These policies include: procurement policy, policy of gifts, related party transactions policy, policy for contract bidding and awards and the code of conduct for all employees to observe</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Some of the risks identified are: employees manipulating contract evaluation and proposals in exchange for bribes; suppliers seeking connections to increase chances of contract award; products or services that have not undergone official procurement procedure; and the like.</p>	<p>Suppliers, Employees, Consultants of the Company.</p>	<p>Management has issued various policies which outline the procedure for investigation and disposition of bribery and corruption incidents. 'These policies include: procurement policy, policy of gifts, related party transactions policy, policy for contract bidding and awards and the code of conduct for all employees to observe.</p>
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p><i>Identify the opportunity/ies related to material topic of the organization</i></p> <p>A sound supply chain management provides opportunities for vendor interaction to further improve products and services and negotiates for more</p>	<p>Employees, Suppliers, consultants of the Company</p>	<p>Atok is committed to the highest professional standards, core values and ethics, and has zero tolerance for bribery or</p>



competitive prices through open bidding.		any other form of corruption.
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#### Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplines for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p><i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain) Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i></p> <p>The Company has yet to record an actual incident of bribery or corruption in the workplace.</p>	<p><i>(e.g. employees, community, suppliers, government, vulnerable groups)</i></p> <p>NA</p>	<p><i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i></p> <p>NA</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Some of the risks identified are: employees manipulating contract evaluation and proposals in exchange for bribes; suppliers seeking connections to increase chances of contract award; products or services that have not undergone official procurement procedure; and the like.</p>	<p>Employees, suppliers, consultants of the Company</p>	<p>Atok is committed to the highest professional standards, core values and ethics, and has zero tolerance for bribery or any other form of corruption.</p>
<i>Identify risk/s related to material topic of the organization</i>		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>A sound supply chain management provides opportunities for vendor interaction to further improve products and services and negotiates for more competitive prices through open bidding.</p>	<p>Employees, suppliers, consultants of the Company</p>	<p>Atok is committed to the highest professional standards, core values and ethics, and has zero tolerance for bribery or any other form of corruption.</p>
<i>Identify the opportunity/ies related to material topic of the organization</i>		
<p>Procurement should be done by open, competitive bidding except on unavoidable circumstances.</p>	<p>Employees, suppliers, consultants of the Company</p>	<p>Communicate the business policies of Atok regularly to all stakeholders.</p>

## ENVIRONMENT

### Resources Management

#### Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	7,000	kWh

#### Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	0	GJ
Energy consumption (electricity)	Minimal	kWh

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Continuous reduction of energy consumption is being done through implementation of energy conservation measures.	Employees	The Company has been implementing cost cutting measures since 2016 resulting in the proper monitoring of and reduction in general and administrative expenses.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Employees would use office equipment inefficiently resulting to higher energy consumption. Equipment energy saving features are sometimes overlooked and not fully utilized. Also, some employees were required to live in the office building to minimize catching COVID-19 and other infections. This resulted in an increase in energy consumption following the onset of the pandemic.	Employees	Employees are continuously monitored and reminded to use office equipment efficiently, and to turn these off when no longer in use. During maintenance, equipment technicians are requested to orient employees on the energy saving features of the Company's office equipment.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Management is open to again implementing a work from home	Employees	Management continues to assess the practicality and

arrangement offered to some employees during the quarantine, if deemed necessary. We hope to decrease operational costs, to increase employee productivity, and to decrease the carbon footprint of both the office and the employee during the conduct of business.		viability of implementing a work from home policy, as needed.
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#### Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	No available data *	Cubic meters
Water recycled and reused	0	Cubic meters

- Water use at the Atok-Big Wedge Co., Inc. headquarters is limited to the common area toilets only.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Water management is essential to Atok-Big Wedge Co., Inc., following the water scarcity experienced in 2019.	Employees, General Community	The Company continues to educate its employees on the proper/efficient use of water.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Some employees were required to live in the office building to minimize catching COVID-19 and other infections. This resulted in an increase in water consumption following the onset of the pandemic.	Employees, Building Management	The Company emphasizes the responsible use of water to its employees and encourages them to report leaks to the building management to avoid water wastage.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Water conservation helps prolong the water supply, particularly during the dry months, when water reservoirs fall below normal levels.	Employees, General Community	The Company instills water conservation practices to employees.

#### Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	0	Kg/liters
• Non-renewable	0	Kg/liters
Percentage of recycled input materials used to manufacture the organization's primary	0	%

products and services		
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<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>		
Not Applicable	Not Applicable	Not Applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify the opportunity/ies related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	0 *	ha
Habitats protected or restored	0	ha
IUCN <sup>17</sup> Red List species and national conservation list species with habitats in areas affected by operations	0	ha

- Prior to awarding of EPs and SCs, the MGB and the DOE, respectively, already exclude protected areas under the National Integrated Protected Areas System of the DENR.

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is committed to strictly comply with environmental laws and policies and promote environmental awareness to the community should the company start the exploration and development of new projects within the Philippines.	All Stakeholders	The Company will secure the required permits from the DENR, DOE and the MGB to cover all of its future exploration activities.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
There is always a risk of disturbing the local ecosystem in the area during exploration, development and production activities.	All Stakeholders	The Company will strictly abide with environmental laws and policies. Future exploration, development and production activities should be accomplished with minimum or no detrimental effects to the environment.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Exercising care in decreasing negative environmental impact can minimize incurred operational costs. Repurposing facilities for use by the community can maximize the life of the asset.	All Stakeholders	Maximize the life of structures used in exploration, development and production activities by repurposing them for use by the community.

<sup>17</sup> International Union for Conservation of Nature



## Environmental impact management

### Air Emissions

#### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	No available data	Tonnes

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company uses air-conditioning (AC) systems that release chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HFCs) which are GHGs that trap heat and cause depletion of the ozone layer.	Employees and nearby communities	The Company regulates the use of its AC systems to lessen its power consumption. Out of two (2) AC systems pre-installed in the office, only one (1) is regularly in operation during business hours.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Some employees were required to live in the office building to minimize catching COVID-19 and other infections. This resulted in an increase in air emissions from increased A/C use following the onset of the pandemic. HFCs represent only a small portion of the total GHG emissions. However, they trap heat in the atmosphere as much as CO <sub>2</sub> when they are released in the environment.	Employees and nearby communities	Routine check and maintenance are implemented to ensure the efficiency of the AC systems.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Regular maintenance and minimal use of the AC units result in savings that can be allocated to other Company expenses.	Employees and nearby communities	The Company practices these basic energy conservation measures. While they presently have a minimal effect on the environment, the effort will be beneficial to the community and the environment in the long term.

### Air pollutants

Disclosure	Quantity	Units
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NO <sub>x</sub>	0	Kg
SO <sub>x</sub>	0	Kg
Persistent organic pollutants (POPs)	0	Kg
Volatile organic compounds (VOCs)	0	Kg
Hazardous air pollutants (HAPs)	0	Kg
Particulate matter (PM)	0	Kg

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
Not Applicable	Not Applicable	Not Applicable
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<i>Identify risk/s related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable

### Solid and Hazardous Wastes

#### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	48	Kg
Reusable	9	Kg
Recyclable	18	Kg
Composted	No available data	Kg
Incinerated	0	Kg
Residuals/Landfilled	No available data	Kg

What is the Impact and where does it occur? What is the organization's	Which stakeholders are affected?	Management Approach
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<b>involvement in the impact?</b>		
Proper solid waste management is implemented in the office to prevent contamination of the environment and reduce the carbon footprint of the company.	Employees, Local community	Waste segregation is practiced in the office. Biodegradable wastes are separated from non-biodegradables, recyclables and reusables. Purchase of goods in single-use plastics containers are discouraged to keep the volume of waste down. The use of eco bags is encouraged.
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Some employees who take public transportation to work were required to live in the office building to minimize catching COVID-19 and other infections. This resulted in an increase in solid waste following the onset of the pandemic. The office building has a centralized garbage collection system so waste materials intended for composting may end up in the landfill.	Employees, Local community	Employees were asked to use reusable containers for their food items. Food scraps are separated for composting purposes.
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Reusable and recyclable wastes may be repurposed to extend the life of the materials and save on cost.	Employees, Local community	Scratch papers comprise most of our reusable waste. The backs of these are re-used saving on cost of paper. Recyclables are collected and sold as scrap in material recovery facilities.

#### Hazardous Waste

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total weight of hazardous waste generated	0	Kg
Total weight of hazardous waste transported	0	Kg

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable</i>	<i>What policies commitments, goals and targets, responsibilities, resources,</i>

<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>groups)\</i>	<i>grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
Not Applicable	Not Applicable	Not Applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify the opportunity/ies related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable

#### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0 *	Cubic meters
Percent of wastewater recycled	0	%

- Water use at the Atok-Big Wedge Co., Inc. headquarters is limited to the common area toilets only.

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>	<i>(e.g. employees, community, suppliers, government, vulnerable groups)</i>	<i>What policies commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
<i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>		
Not Applicable	Not Applicable	Not Applicable
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<i>Identify the opportunity/ies related to material topic of the organization</i>		
Not Applicable	Not Applicable	Not Applicable

## ENVIRONMENTAL COMPLIANCE

### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0.00	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company is committed to strictly comply with environmental laws and policies should the Company start the exploration, development and production of new projects within the Philippines.	All Stakeholders	The Company will secure the required permits from the DENR, DOE and the MGB to cover all of its future exploration activities.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance with environmental laws and regulations can lead to the imposition of penalties and fines and the possible cancellation of permits.	Company, Employees	Environmental laws and policies should be adhered to in all stages of exploration, development and production of new projects within the Philippines.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Compliance with environmental laws and regulations saves the company unnecessary expenses and builds	All Stakeholders	Environmental laws and policies should be adhered to in all stages of exploration,

trust and goodwill with the DENR, DOE, the MGB, the local authorities and the community.		development and production of new projects within the Philippines.
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## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>18</sup>	3	
a. Number of female employees	2	#
b. Number of male employees	1	#
Attrition rate <sup>19</sup>	0	Rate
Ratio of lowest paid employee against minimum wage	1.36:1	Ratio

##### Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100 %	100 %
PhilHealth	Y	100 %	100 %
Pag-IBIG	Y	100 %	100 %
Parental leaves	Y	0 %	0 %
Vacation leaves	Y	100 %	100 %
Sick leaves	Y	100 %	100 %
Medical benefits (aside from PhilHealth)	Y	100 %	100 %
Housing assistance (aside from Pag-IBIG)	N	0 %	0 %
Retirement fund (aside from SSS)	N	0 %	0 %
Further education support	N	0 %	0 %
Company stock options	N	0 %	0 %
Telecommuting	Y	33.33 %	0 %
Flexible-working hours	Y	100 %	100 %
(Others)			

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company provides the government mandated benefits to all its employees. It ensures timely remittance of employees' monthly contributions/premiums and provides	The Company considers its people its greatest asset. Apart from government mandated benefits, employees are provided with additional benefit packages and a wide range of

<sup>18</sup> Employees are individual who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

<sup>19</sup> Attrition are (no. of new hires – no. of turnover) (average of total no. of employee of previous year and total no. of employees of current year)



assistance in facilitating and processing applications to avail of these benefits.	learning and development opportunities to help them achieve their full potential.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Delays in providing government-mandated benefits are violations of the law and will subject the Company to liabilities.	Remittances and benefit applications are prepared in good time to ensure timely payments and submissions to government institutions.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
Benefits that might be advantageous to both employees and the Company presently being explored.	Telecommuting, a benefit intended to increase an employee's productivity by minimizing their travel time, is being tested for positions that can perform their work from home. Moreover, it allowed the Company to adhere to pandemic minimum health standards during the quarantine to avoid COVID-19 infections.

#### Employee Training and Development

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total training hours provided to employees		
a. Female employees	30	Hours
b. Male employees	8	Hours
Average training hours provided to employees		
a. Female employee	15	Hours/employee
b. Male employee	8	Hours/employee

<b>What is the Impact and where does it occur?</b> <b>What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Employees are a Company's greatest asset and continuous training and development should be implemented to improve their competencies.	The Company announces its training programs to employees in advance and encourages them to adjust their work schedules in order to attend these.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Employees tend to miss out on scheduled trainings due to work.	Make completion of training and development programs a key performance indicator in the Company's performance appraisal system.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
Many inexpensive local and online training programs relevant to the Company's employees are offered throughout the year.	Encourage employees to adjust their work loads and take turns in attending relevant training programs.

#### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	4	#

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company has no collective bargaining agreements with any of its employees.	The Company creates a working environment conducive to open discussion.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Employees are expected to adhere to the company's rules and regulations in the conduct of their duties on the basis of value and integrity.	Management maintains a harmonious professional relationship with the staff. They oversee and guide their direct reports from time to time in the conduct of their duties.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
The Company can engage its employees in setting individual goals from which their performance can be evaluated.	The Company institutionalized an annual performance management system in which measurable key performance indicators are jointly set by an employee and his superior. Performance indicators are regularly discussed and measured and rated at the end of the year.

#### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	66.67	%
% of male workers in the workforce	33.33	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*\*Vulnerable sector includes elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Management is committed to respecting people's differences and creating an inclusive workplace. It does not tolerate any kind of harassment, prejudice and discrimination.	Management is required to ensure that the working environment is free from any form of harassment, prejudice and discrimination.

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The Company at times has limited qualified applicants to open positions.	Management recognizes that people bring with them different skill sets and will continue to provide equal career opportunities in the work place.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
Diversity creates goodwill within the community and within the industry.	Management will encourage greater female participation and look for mentoring opportunities for its junior employees to gain valuable insights into the company and the industry as a whole.

Workplace Conditions, Labor Standards, and Human RightsOccupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	5,076	Man-Hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	2	#

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company consistently fosters a safe working environment and implements employee health and safety measures and training programs that protect people from occupational hazards.	The Company complies with all relevant occupational health and safety laws and regulations.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Failure to manage workplace safety would negatively impact employee health and productivity.	The Company enforces occupational health and safety protocols for the benefit of its employees.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
By properly managing and implementing health and safety trainings, employees can handle their jobs safely for the benefit of the organization and all stakeholders.	The Company will continue to provide the necessary equipment, training and resources to enable employees to work safely.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	The Company observes the labor standards stated in the labor code.
Child labor	Y	The Company observes the labor standards stated in the labor code.
Human Rights	Y	The Company observes the labor standards stated in the labor code.

<b>What is the Impact and where does it occur?</b> <b>What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Identify the impact and where it occurs (i.e. primary business operations and/or supply chain)</i>  The Company follows the principle of fairness and openness in its recruitment process. The Company employs people who choose to work and the Company does not use forced labor. Also, Atok does not use child labor or employ people below the minimum employment age.	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>  The Company's hiring process and policies disallow the hiring of child labor or forced labor.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>  Contractors and subcontractors may violate labor laws and basic human rights.	A violation of the labor code perpetrated by contractors and subcontractors will be a ground for disqualification in future contracts in addition to the penalties set forth under the law.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
<i>Identify the opportunity/ies related to material topic of the organization</i>  The Company aims to be up-to-date with current Labor Laws and Human Rights policies which protect both the stakeholders and the Company.	A violation of the labor code perpetrated by contractors and subcontractors will be a ground for disqualification in future contracts in addition to the penalties set forth under the law.

#### Supply Chain Management

Do you have a supplier accreditation policy? If, yes, please attached the policy or link to the policy:

None. We select from suppliers that have been accredited by our sister company.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human Rights	N	
Bribery and corruption	Y	

<b>What is the Impact and where does it occur?</b> <b>What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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The Company's relationships with suppliers, contractors, consultants and advisers are based on lawful, efficient, and fair practices. All bidders are given equal opportunity to compete and their bids are evaluated fairly and in a transparent manner	Employees are directed to be vigilant and report any violation of the labor code for rectification and for future reference. Companies found violating the labor standards will no longer be eligible to bid for contracts.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Atok has no reported violation on supply management during the year.	The Company includes in its contracts with suppliers its policy to always observe labor standards set by law. Suppliers who violate are penalized and will no longer be eligible to bid for future contracts.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
Responsible supply chain management can generate value to the Company. It improves relationship with suppliers, creates trust, provide security for investors and can create new market opportunities.	Atok shall continuously uphold the highest professional standards in its dealings with suppliers.

#### Relationship with Community

##### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects, this has to be business operations)	Location	Vulnerable groups (If applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigation measures (If negative) or enhancement measures (If positive)
None because the Company is not yet operating an actual mine.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

*\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: \_\_\_\_\_



Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

What are the Risk/s Identified?	Management Approach
None yet because the Company is not yet operating an actual mine.	Not applicable because the company is not yet operating an actual mine.
What are the Opportunity/ies identified?	Management Approach
None yet because the Company is not yet operating an actual mine.	Not applicable because the company is not yet operating an actual mine.

#### Customer Management

##### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No available data.	N

What is the Impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company upholds fair and transparent dealings with its customers. All transactions and business relationships with customers are covered by contracts that comply with the country's existing laws and regulations	The Company will continuously review, update and improve its policy with its customers.
What are the Risk/s Identified?	Management Approach
Due to space constraints, only one customer can be physically attended to at any given time to adhere to pandemic minimum health standards.	The Company moved to an office space that allows our representative to physically attend to more of its customers at any given time.
What are the Opportunity/ies identified?	Management Approach
The Company will determine the level of satisfaction of its stakeholders and customers once Atok is fully operational and the customer base of ABSTC has grown.	A Customer Satisfaction Survey to determine and improve actual performance/service rendered and quality of its operations will be conducted once Atok is fully operational and the customer base of ABSTC has grown.

#### Health and Safety

Disclosure	Quantity	Units
No. of substantial complaints on product or service health and safety*	0	#

No. of complaints addressed	0	#
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*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged with government agencies for them to act upon.*

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Employee and customer health and safety remain a priority of the Company.	The Company will continuously review, update and improve its policy with its customers. Both customers and employees are required to wear face masks and are screened to prevent COVID-19 related and other infections in the workplace.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
High-risk customers to COVID-19 infections would sometimes visit the office. The elderly and PWD customers needed to use a flight of stairs in the past in order to conduct business at the office.	The Company encourages inquiries to be done over the phone or online to minimize the exposure of its high-risk customers to COVID-19. The Company moved to an office space more accessible to the elderly and PWDs.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
The Company will determine the level of satisfaction of its stakeholders and customers once Atok is fully operational and the customer base of ABSTC has grown.	A Customer Satisfaction Survey to determine and improve actual performance/service rendered and quality of its operations will be conducted once Atok is fully operational and the customer base of ABSTC has grown. On-line means to do such should be explored.

#### Marketing and labeling

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of substantial complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The marketing and labelling efforts of the Company are limited to the maintenance of its website which caters to its stakeholders, clients and future investors.	The Company regularly updates and improves its website.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
A breach in website security is possible compromising the accessibility and accuracy of	The Company ensures that all data uploaded on the website are secure, accurate and up to date.

the information on the website.	
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
Our stakeholders, clients and future investors are technologically savvy and use the internet extensively in gathering information.	The Company should harness the potential of digital media in its marketing and labelling efforts.

#### Customer privacy

Disclosure	Quantity	Units
No. of substantial complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the Impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Company respects every stakeholder's right to privacy and commits to protect all personal data.	The Company strictly complies with Republic Act No. 10173 or the Data Privacy Act of 2012 and implements its own control on data security.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The Company has no control over information that has been shared externally.	Disclosures of stakeholders' personal data are limited only to what is required by law or to comply with legal or regulatory requirements.
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
Adherence to customer privacy can build customer trust and goodwill.	The Company complies with the Data Privacy Act to strengthen the integrity and security of its electronic database and records.

#### Data Security

Disclosure	Quantity	Units
No. data breaches, including leaks, thefts and losses of data	0	#

<b>What is the Impact and where does it occur?</b> <b>What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<p>The Company has updated and effective security software to protect its data and to provide real-time visibility of any threat activities in order to stop a breach before it happens.</p>	<p>The Company takes precautions and educates its employees from sharing any sensitive and confidential information.</p> <p>Preventive security measures like data back-up, data recovery and the use of a firewall are in place.</p>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<p>Information breach can lead to the loss of confidential data.</p>	<p>The company/person involved should be immediately notified in the event of any breach in the use of their sensitive data.</p> <p>Anti-virus and cyber security software are continuously upgraded for data security.</p>
<b>What are the Opportunity/ies identified?</b>	<b>Management Approach</b>
<p>Having a strong data security in place can result to financial savings for and avoidance of any reputational damage to the company</p>	<p>The Company ensures continuous update of its data security programs.</p>

## UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Social Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Precious metal exploration	Economic growth	Environmental damage associated with field operations	Strict compliance with the laws as well as the policies in place by the Company to sustain its operations in the most efficient manner.
Stock Transfer Agency Services	Economic growth	None	None

*\*None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*